DEPARTMENT OF THE INTERIOR AND RELATED AGENCIES APPROPRIATIONS FOR 1987

HEARINGS

BEFORE A

SUBCOMMITTEE OF THE

COMMITTEE ON APPROPRIATIONS

HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

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Printed for the use of the Committee on Appropriations

U.S. GOVERNMENT PRINTING OFFICE
57-607 O WASHINGTON : 1986

H181-7

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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

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BUREAU OF MINES

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

Fiscal Year 1987 Budget Justification

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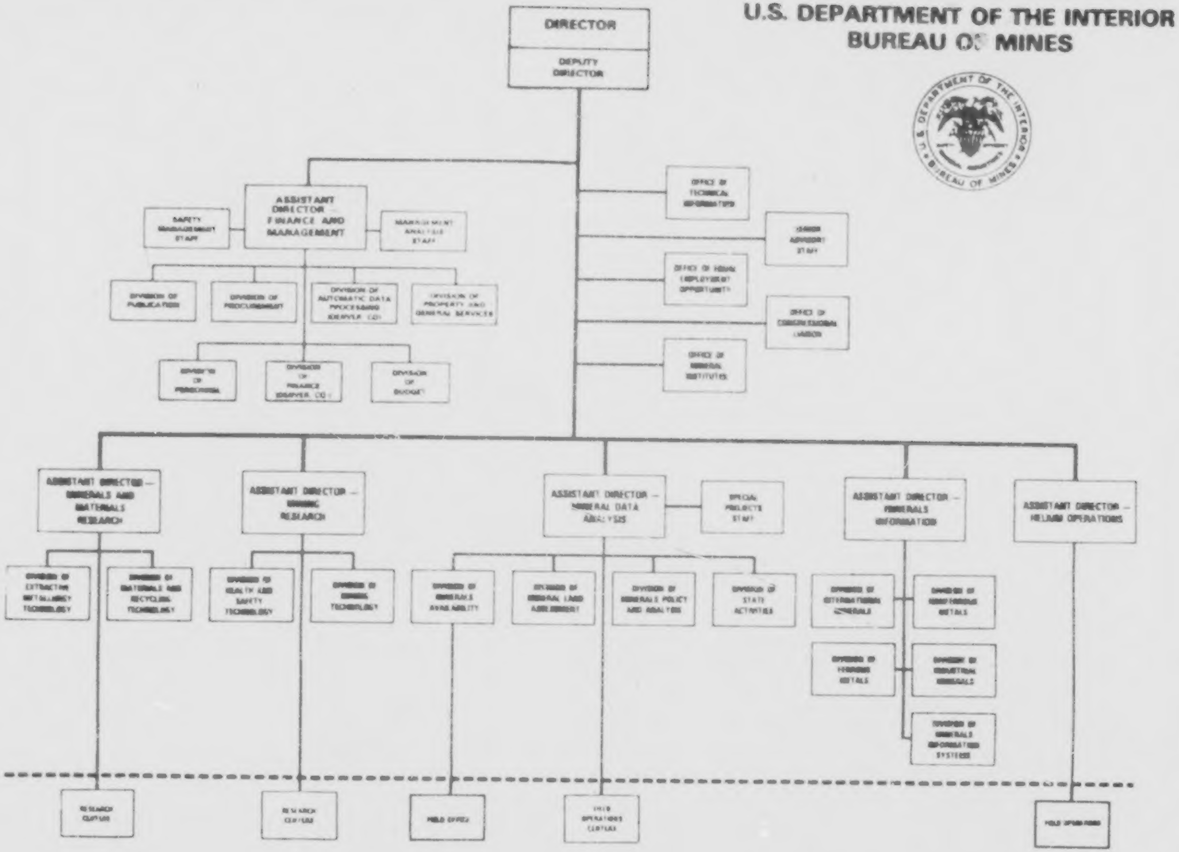
U.S. DEPARTMENT OF THE INTERIOR
BUREAU OF MINES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DIVISION OF FERROUS METALS
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ASSISTANT DIRECTOR — HELIUM OPERATIONS
RESEARCH CENTERS
RESEARCH CENTERS
FIELD OFFICES
FIELD OPERATIONS CENTERS
FIELD OPERATIONS

General Statement

The Bureau of Mines was created in 1910 (30 U.S.C. 1-11). Its mission is to help ensure that the United States has an adequate and dependable supply of minerals to meet its defense and economic needs at acceptable environmental, energy, and economic costs. It undertakes that mission by acquiring and analyzing worldwide minerals data and by conducting research to enhance mining and mineral processing safety, productivity, and efficiency.

The Bureau's basic mission has been statutorily enlarged in such areas as minerals health and safety technology (30 U.S.C. 951(a), and 30 U.S.C. 861(b)); conservation of the Nation's helium resources (50 U.S.C. 167); research on the development, mining, preparation, treatment, and utilization of minerals essential to the common defense or the industrial needs of the United States (50 U.S.C. 98g(a)(1)); and mineral land assessments (16 U.S.C. 1133(d)(2), 16 U.S.C. 3150(a), and 43 U.S.C. 1782(a)). The Mining and Minerals Policy Act of 1970 (30 U.S.C. 21(a)) and the National Materials and Minerals Policy, Research and Development Act of 1980 (30 U.S.C. 1602, 1603) reaffirmed the Bureau's role in assessment of international minerals supplies, mining and metallurgical research for strategic and critical minerals, and analysis of mineral data for Federal land use decisionmaking. The Bureau also provides the nucleus of the Department of the Interior's Emergency Minerals Administration which is chartered under the Defense Production Act of 1950, as amended, (50 U.S.C. 2062), and supports the Federal Emergency Management Agency (FEMA) in its stockpiling and other materials readiness programs.

Comparison of 1987 estimate with 1986 appropriation:

(Dollar amounts in thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc.(+) or Dec.(-) from Enacted	Permanent Employment 12/31/85
Mines and Minerals	$	133,449	127,711	107,100	-26,349	
	(FTE-T)	(2,096)	(2,096)	(1,966)	(-130)	1,990
Trust Funds and Miscellaneous Accounts						
Contributed Funds	$	500	500	500	...	
	(FTE-T)	(10)	(10)	(10)	(...)	10
Miscellaneous Accounts 1/	$	...	...	...	...	
	(FTE-T)	(275)	(275)	(275)	(...)	275
Total, Bureau of Mines	$	133,949	128,211	107,600	-26,349	
	(FTE-T)	(2,381)	(2,381)	(2,251)	(-130)	2,275

1/ Miscellaneous accounts include the Helium Fund and reimbursements from other Federal agencies.

FY 1987 BUDGET HIGHLIGHTS

Project 2000, the Bureau's long range strategic planning effort, has identified the following goals to guide Bureau programs:

> Ensure that the United States has an adequate and dependable supply of minerals with maximum efficient contribution from the domestic mineral industry.
>
> Reduce the human and economic costs of mining-related deaths, accidents, and illnesses.
>
> Increase the beneficial use of advanced technologies and materials by the mineral industry and contribute to increased beneficial uses by U.S. producers and consumers.
>
> Help ensure conservation of the Nation's mineral resources.
>
> Ameliorate conflicts between environmental goals and mining operations and mineral processing and utilization plants.
>
> Promote informed and considered formulation and implementation of laws, rules, and regulations that impact the mineral industry.
>
> Help ensure improved government, university, and industry cooperation in mineral related research and education to expand the Nation's mineral research base and improve professional competence.
>
> Ensure the United States a continuing supply of helium sufficient to meet its defense, commercial, and scientific needs.
>
> Improve water conservation practices of the mineral industry and assist in improving the quality of waters contaminated by mineral substances.

The proposed budget provides resources needed to progress toward these goals. The Bureau's research efforts are consistent with the President's guidance that directs attention to long-term, high-risk research with wide generic benefits. Over half of the Bureau's research effort has been redirected into very basic, fundamental studies without immediate commercial potential. This research is an investment in scientific and technical knowledge which will be needed in the future.

For FY 1987, the Bureau of Mines is proposing a budget of $107,100,000, a decrease of $26,349,000 from the FY 1986 appropriation enacted by Public Law 99-190. The budget includes a program decrease of $27,983,000 from the FY 1987 base partially offset by an increase of $7,372,000 from base adjustments.

The budget proposes $61,180,000 for Minerals Research--$26,121,000 for Health and Safety Technology, $9,744,000 for Mining Technology, and $25,315,000 for Minerals and Materials Research. The proposed budget for research is a decrease of $18,082,000 from the FY 1986 appropriation.

For Minerals Information and Analysis, the budget proposes $26,570,000 -- $9,856,000 for Minerals Information, and $16,714,000 for Mineral Data Analysis. This represents a reduction of $2,415,000 from the FY 1986 appropriation.

No funding is proposed for Mineral Institutes, a reduction of $7,950,000 from the FY 1986 appropriation.

The budget proposes $19,350,000 for General Administration. This includes a base reduction of $350,000 and 12 FTEs resulting from streamlining and consolidation of administrative functions, and base increases resulting from increased rental costs and transfer of the budget for ADP support for the Automated Minerals Information System from Minerals Information to General Administration.

Health and Safety Technology

The proposed budget includes a $7,542,000 program decrease from the base. The rates of fatal and nonfatal accidents experienced in the coal mining industry in 1985 continued their historic downward trend. There were .04 fatal injuries per 100 employee-years in 1985, a rate equal to the record low rate experienced in 1983, and down 43% from the rate in 1984. Nonfatal injuries also declined to 6.3 per 100 employee-years, down 5% from the 1984 rate of 6.64 per 100 employee-years, and 38% from the rate of 10.1 per 100 employee-years experienced in 1980. The recent non-fatal injury rates experienced in coal mining are significantly less than the average for all private sector employment (7.7 per 100 employee-years in 1982). These encouraging trends have led the Bureau to propose a significant reduction in Health and Safety Technology research.

Funding for Respirable Dust research would be reduced by $1,877,000 by discontinuing grant funding to the Respirable Dust Generic Center. Funds appropriated in FY 1986 and prior years will continue to support work at the Generic Center through FY 1988. The budget request supports a modest increase for in-house research in this area, which continues to be the most serious long-term health hazard experienced by miners.

Funding for Ground Control research would be reduced by $736,000, and funding for Industrial Hazards research would be reduced by $991,000. Despite these reductions, research funding for these two program elements represents 56% of the total funding requested for Health and Safety Technology, reflecting the fact that they remain among the Bureau's highest priority research areas because they are still the leading causes of fatal and nonfatal injuries.

A new program element, Mine Disaster Prevention, would combine efforts previously carried out under the Fire and Explosion Prevention, Methane Control, and Postdisaster Survival and Rescue program elements. Research under the new element would be aimed at preventing the recurrence of disasters such as the Wilberg Mine fire in Utah in 1984 and to redirect efforts in survival and rescue and methane control. Total funding in these areas would be reduced by $3,686,000.

Another new program element, Physical and Chemical Agents, would continue efforts in noise control and reinstate efforts in control of toxic and hazardous materials found in the mining environment. Total funding in this area would be reduced by $252,000.

Mining Technology

The proposed budget includes a $3,432,000 program decrease from the base. Funds appropriated for a pilot demonstration of in situ copper mining will be adequate to complete the initial phase of design and engineering. Responsibility for further efforts belongs to the private sector. Funds provided to perform proof-of-concept validation of coal mining equipment, and investigate acid mine drainage and subsidence will have been used to complete those efforts. Follow-on funding will not be necessary for those purposes.

Minerals and Materials Research

The proposed budget includes a $7,200,000 program decrease from the base. Savings from discontinuing efforts at the Idaho National Engineering Laboratory (INEL) account for $3,976,000 of this program decrease. Funds provided for research at INEL in FY 1986 will continue to support efforts through FY 1988. The remainder come from reductions in lower priority research efforts in all program areas. The program will continue to emphasize efforts to establish a stockpile of basic information on technologies applicable to processing resources from Alaska as well as identified domestic low-grade resources of strategic and critical minerals and recovery of these materials from scrap and waste.

Minerals Information

A slight decrease in the Data Collection and Dissemination program results in the $66,000 program decrease proposed in the budget.

Mineral Data Analysis

A program decrease of $1,793,000 is proposed for Mineral Data Analysis. This decrease results from the completion of the mandated Bureau of Land Management mineral land assessment program and reductions in mineral investigations.

Mineral Institutes

A program decrease of $7,950,000 is proposed. No funds are being requested to continue allotment or research grants. Grant funds appropriated in FY 1986 and prior years will support the programs of the Mineral Institutes through the 1986-7 academic year. Research grants will continue to support research activities in the five generic minerals technology areas through FY 1988. As these funds are expended, the States and private sector are expected to continue to support these institutions.

General Administration

Responsibilities for operation and maintenance of the Automated Mineral Information System have been transferred from the Minerals Information program to the Division of Automatic Data Processing. Estimates for General Administration include savings from streamlining and consolidating administrative operations offset by increases for rental payments to GSA. No net program increase or decrease from the base level is proposed.

DEPARTMENT OF THE INTERIOR

BUREAU OF MINES

Appropriation Language Sheet

Mines and Minerals

For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing, use and disposal of mineral substances without objectionable social and environmental costs; to foster and encourage private enterprise in the development of mineral resources and the prevention of waste in the mining, minerals, metal and mineral reclamation industries; to inquire into the economic conditions affecting those industries; to promote health and safety in mines and the mineral industry through research; and for other related purposes as authorized by law, [$134,255,000] $107,100,000, of which [$79,537,000] $61,180,000 shall remain available until expended.

(16 U.S.C. 1133(d)(2), 3150(a); 30 U.S.C. 1-16, 21(a), 861(b), 951(a), 1222(a)(c), 1602, 1603; 43 U.S.C. 1782(a); 50 U.S.C. 2062: Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Appropriation Language Citations

Appropriation: Mines and Minerals

Appropriation language and citations:

1. For expenses necessary for conducting inquiries, technological investigations and research concerning the extraction, processing use and disposal of mineral substances without objectionable social and environmental costs.

30 U.S.C. 3
30 U.S.C. 1602
30 U.S.C. 1603

30 U.S.C. 3 provides that "It shall be the province and duty of the Bureau of Mines, subject to the approval of the Secretary of the Interior, to conduct inquiries and scientific and technologic investigations concerning mining, and the preparation, treatment, and utilization of mineral substances....."

30 U.S.C. 1602 provides for "...Federal agencies to facilitate availability and development of domestic resources to meet critical materials needs."

30 U.S.C. 1603 provides for "...improved methods for the extraction, processing, use, recovery, and recycling of materials which encourage the conservation of materials, energy, and the environment;."

2. To foster and encourage private enterprise in the development of mineral resources.

30 U.S.C. 21(a)
30 U.S.C. 1602

30 U.S.C. 21(a) states that "...it is the continuing policy of the Federal Government in the National interest to foster and encourage private enterprise in... the orderly and economic development of domestic mineral resources...."

30 U.S.C. 1602 provides for the promotion and encouragement of private enterprise in the development of economically sound and stable domestic materials industries.

3. And the prevention of the waste in the mining, minerals, metal and mineral reclamation industries.

30 U.S.C. 3
30 U.S.C. 21(a)

30 U.S.C. 3 provides for the conservation of resources through the prevention of waste in the mining, quarrying, metallurgical, and other mineral industries.

30 U.S.C. 21(a) provides for the encouragement of private enterprise in the development of economically sound and stable metal and mineral reclamation industries and in the study and development of methods for the disposal, control, and reclamation of mineral waste products.

4. To inquire into the economic conditions affecting those industries.

30 U.S.C. 3
30 U.S.C. 21(a)
30 U.S.C. 1603

30 U.S.C. 3 provides for inquiry into the economic conditions affecting the mining, quarrying, metallurgical, and other mineral industries. This section also provides for the dissemination of information concerning these industries.

30 U.S.C. 21(a) provides for an annual report on the state of the domestic mining, minerals, and mineral reclamation industries, including a statement of the trend in utilization and depletion of resources.

30 U.S.C. 1603 provides for "...improved collection, analysis, and dissemination of scientific, technical and economic materials information and data from Federal, state, and local governments, and other sources as appropriate;..."

5. To promote health and safety in mines and the mineral industry through research.

30 U.S.C. 3
30 U.S.C. 861(b)
30 U.S.C. 951(a)

30 U.S.C. 3 provides for "...scientific and technologic investigations concerning mining...to improve health conditions and to increase safety...."

30 U.S.C. 861(b) provides for "...the immediate application of mandatory safety standards developed on the basis of experience and advances in technology and to prevent newly created hazards resulting from new technology in coal mining. The Secretary of the Interior in coordination with the Secretary [of Health and Human Services] shall immediately initiate studies, investigations, and research to further upgrade such standards and to develop and promulgate new and improved standards promptly that will provide increased protection to the miners, particularly in connection with hazards from trolley wires, trolley feeder wires, and signal wires, the splicing and use of trailing cables, and in connection with improvements in vulcanizing of electric conductors, improvement in roof control measures, methane drainage in advance mining, improved methods of measuring methane and other explosive gases and oxygen concentrations, and the use of improved underground equipment and other sources of power for such equipment."

30 U.S.C. 951(a) provides that "The Secretary of the Interior and the Secretary of Health and Human Services, as appropriate, shall conduct such studies, research, experiments, and demonstrations as may be appropriate (1) to improve working conditions and practices in coal or other mines, and to prevent accidents and occupational diseases originating in the coal or other mining industry; (2) to develop new or improved methods of recovering persons in coal or other mines after an accident; (3) to develop new or improved means and methods of communication from the surface to the underground area of a coal or other mine, (4) to develop new or improved means and methods of reducing concentrations of respirable dust in the mine

atmosphere of active workings of the coal or other mine;...(9) to study the relationship between coal or other mine environments and occupational diseases of miners; (10) to develop new and improved underground equipment and other sources of power for such equipment which will provide greater safety;...."

6. And for other related purposes as authorized by law.

16 U.S.C. 1133(d)(2)
16 U.S.C. 3150(a)
30 U.S.C. 1222(a)
30 U.S.C. 1222(c)
43 U.S.C. 1782(a)
50 U.S.C. 98g(a)(1)
50 U.S.C. 2062

16 U.S.C. 1133(d)(2) provides that "...in accordance with such program as the Secretary of the Interior shall develop and conduct in consultation with the Secretary of Agriculture, ...[national forest wilderness] areas shall be surveyed on a planned, recurring basis consistent with the concept of wilderness preservation by the Geological Survey and The Bureau of Mines to determine the mineral values, if any, that may be present; and the results of such surveys shall be made available to the public and submitted to the President and Congress."

16 U.S.C. 3150(a) states that "The Secretary shall, to the full extent of his authority, assess the oil, gas, and other mineral potential on all public lands in the State of Alaska in order to expand the data base with the respect to the mineral potential of such lands."

30 U.S.C. 1222(a) provides research funds to institute "...for purposes of: (1) specific mineral research and demonstration projects of industrywide application, which could not otherwise be undertaken, including the expenses of planning and coordinating regional mining and mineral resources research projects by two or more institutes and (2) research into any aspects of mining and mineral resources problems related to the mission of the Department of the Interior, which may be deemed desirable and are not otherwise being studied."

30 U.S.C. 1222(c) states that "The Secretary may designate and utilize such portions of the funds authorized to be appropriated by this section as he deems appropriate for the purpose of providing scholarships, graduate fellowships, and postdoctoral fellowships."

43 U.S.C. 1782(a) states that "prior to any recommendations for the designation of an area of wilderness the Secretary shall cause mineral surveys to be conducted by the Geological Survey and the Bureau of Mines to determine the mineral values, if any, that may be present in such areas."

50 U.S.C. 98g(a)(1) states that "The President shall make scientific, technologic, and economic investigations concerning the development, mining, preparation, treatment, and utilization of ores and other mineral substances that (A) are found in the United States, or in its territories or possessions, (B) are essential to the national defense, industrial, and essential civilian needs of the United States, and (C) are found in known domestic sources in inadequate quantities or grades."

50 U.S.C. 2062 states that the Nation's "...mobilization effort...requires the development of preparedness programs and the expansion of productive capacity and supply beyond the levels needed to meet the civilian demand in order to reduce the time required for full mobilization in the event of an attack on the United States or to respond to actions occurring outside the United States which could result in the termination or reduction of the availability of strategic and critical materials...."

BUREAU OF MINES

SUMMARY OF REQUIREMENTS
(Dollar amounts in thousands)

Appropriation: Mines and Minerals

Summary of adjustments to base	FTE-T	Amount	FTE-T	Amount
Appropriation, 1986			2,096	133,449
P. L. 99-177 Budget Authority Cancellation				- 5,738
Adjusted FY 1986 Appropriation				127,711
Adjustments to base:				
Adjustment for 1986 impact of P. L. 99-177	...	+5,738		
Streamline and consolidate administrative operations	-12	-350		
Rental payments to GSA	...	+629		
Other Increases:				
Use of amount deferred in FY 1985	...	+1,355		
Subtotal, adjustments to base			-12	+7,372
FY 1987 Base Budget			2,084	135,083
Program changes (changes to base budget, detailed below)			-118	-27,983
Total Requirements (FY 1987 Estimate)			1,966	107,100

Comparison by activities/ subactivities/program	1985 Actual FTE-T	1985 Actual Amount	1986 Approp. Enacted to Date FTE-T	1986 Approp. Enacted to Date Amount	PL 99-177 Reduct. Amount	1986 Adj. Approp. Amount	1987 Base FTE-T	1987 Base Amount	1987 Estimate FTE-T	1987 Estimate Amount	Increase (+) Dec.(-) over 1986 Adj. App. Amount	Increase(+) Dec.(-) Over 1987 Base FTE-T	Increase(+) Dec.(-) Over 1987 Base Amount
Minerals research:													
Health and safety technology	559	33,931	554	33,602	-1,430	32,172	554	33,663	517	26,121	-6,051	- 37	- 7,542
Health engineering technology	(113)	(9,663)	(92)	(7,471)	(-318)	(7,153)	(92)	(7,484)	(92)	(5,355)	(-1,798)	(...)	(- 2,129)
Respirable dust	72	6,207	72	6,283	-267	6,016	72	6,293	72	4,416	-1,600	...	- 1,877
Physical and chemical agents	...	...	...	...	...	...	...	...	20	939	+ 939	+ 20	+ 939
Noise control	20	1,205	20	1,188	-51	1,137	20	1,191	...	...	-1,137	- 20	- 1,191
Industrial hygiene	10	1,354	...	...	...	...	...	...	...	...	...	...	...
Radiation hazards	6	527	...	...	...	...	...	...	...	...	...	...	...
Ventilation	5	370	...	...	...	...	...	...	...	...	...	...	...
Safety hazard reduction	(446)	(24,268)	(462)	(26,131)	(-1,112)	(25,019)	(462)	(26,179)	(425)	(20,766)	(-4,253)	(- 37)	(- 5,413)
Ground control	184	8,282	192	8,769	-373	8,396	192	8,795	183	8,059	- 337	- 9	- 736
Industrial hazards	158	7,902	165	7,326	-312	7,014	165	7,368	157	6,357	- 657	- 8	- 991
Mine disaster prevention	...	...	...	...	...	...	...	...	42	2,892	+2,892	+ 42	+ 2,892
Fire and explosion prev.	42	2,546	57	4,587	-196	4,391	57	4,590	...	...	-4,391	- 57	- 4,590
Methane control	15	1,516	4	994	-42	952	4	994	...	...	- 952	- 4	- 994
Postdisaster	9	1,040	4	994	-42	952	4	994	...	...	- 952	- 4	- 994
Explosives	18	921	19	1,437	-61	1,376	19	1,436	23	1,436	+ 60	+ 4	...
Systems engineering	20	2,061	21	2,024	-96	1,938	21	2,022	20	2,022	+ 84	- 1	...

Comparison by activities/ subactivities/program	1985 Actual		1986 Approp. Enacted to Date		PL 99-177 Reduct.	1986 Adj. Approp.	1987 Base		1987 Estimate		Increase (+) Dec.(-) over 1986 Adj. App.	Increase(+) Dec.(-) Over 1987 Base	
	FTE-T	Amount	FTE-T	Amount	Amount	Amount	FTE-T	Amount	FTE-T	Amount	Amount	FTE-T	Amount
Mining technology	125	13,526	129	13,145	-560	12,585	129	13,176	107	9,744	-2,841	- 22	- 3,432
Advanced mining technology	(101)	(11,552)	(107)	(10,106)	(-430)	(9,676)	(107)	(10,141)	(91)	(8,189)	(-1,487)	(- 16)	(- 1,952)
Metal/nonmetal mining	47	4,200	48	5,231	-223	5,008	48	5,271	46	4,294	- 714	- 2	- 977
Coal mining	54	7,352	59	4,875	-207	4,668	59	4,870	45	3,895	- 773	- 14	- 975
Resource conservation tech.	(24)	(1,974)	(22)	3,039	(-130)	(2,909)	(22)	(3,035)	(16)	(1,555)	(-1,354)	(- 6)	(- 1,480)
Controlling mine wastes	15	944	13	1,621	-69	1,552	13	1,619	9	629	- 923	- 4	- 990
Conserving land resources	9	1,030	9	1,418	-61	1,357	9	1,416	7	926	- 431	- 2	- 490
Minerals and materials research	591	32,761	585	32,515	-1,384	31,131	585	32,515	539	25,315	-5,816	- 46	- 7,200
Extractive metallurgy tech.	(306)	(17,506)	(303)	(17,284)	(-736)	(16,548)	(303)	(17,284)	(278)	(13,956)	(-2,592)	(- 25)	(- 3,328)
Mineral resources	107	7,752	105	7,738	-330	7,408	105	7,738	91	5,049	-2,359	- 14	- 2,689
Minerals technology	199	9,754	198	9,546	-406	9,140	198	9,546	187	8,907	- 233	- 11	- 639
Materials and recycling tech.	(285)	(15,255)	(282)	(15,231)	(-448)	(14,583)	(282)	(15,231)	(261)	(11,359)	(-3,224)	(- 21)	(- 3,872)
Materials	134	8,440	132	7,875	-335	7,540	132	7,875	122	5,281	-2,259	- 10	- 2,594
Recycling	151	6,815	150	7,356	-313	7,043	150	7,356	139	6,078	- 965	- 11	- 1,278
Subtotal, Minerals research	1,275	80,218	1,268	79,262	-3,374	75,888	1,268	79,354	1,163	61,180	-14,708	-105	-18,174
Minerals information and analysis:													
Minerals information	219	10,856	217	10,554	-449	10,105	201	9,922	200	9,856	- 249	- 1	- 66
Mineral data analysis	341	18,550	341	18,431	-785	17,646	341	18,507	329	16,714	- 932	- 12	- 1,793
Policy analysis	197	11,480	197	10,912	-465	10,447	197	10,957	197	10,957	+ 510	...	...
Land assessments	144	7,070	144	7,519	-320	7,199	144	7,550	132	5,757	-1,442	- 12	- 1,793
Subtotal, Minerals information and analysis	560	29,406	558	28,985	-1,234	27,751	542	28,429	529	26,570	-1,180	- 13	- 1,859
Mineral institutes	...	7,842	...	7,950	-338	7,612	...	7,950	...	...	-7,612	...	- 7,950
Allotment grants	...	4,558	...	4,621	-196	4,425	...	4,621	...	...	-4,425	...	- 4,621
Research grants	...	2,941	...	2,981	-127	2,854	...	2,981	...	...	-2,854	...	- 2,981
Administration	...	343	...	348	-15	333	...	348	...	...	- 333	...	- 348
General administration	302	20,160	270	18,607	-792	17,815	274	19,350	274	19,350	+1,535	...	...
Executive direction	44	1,898	38	1,787	-76	1,711	37	1,753	37	1,753	+ 42	...	...
Finance and management	258	18,262	232	16,820	-716	16,104	237	17,597	237	17,597	+1,493	...	...
Financing from unobligated balances:													
Construction and rehabilitation	...	-1,667	...	...	...	...	...	...	...	...	...	...	...
Deficit Reduction Act Savings	...	...	...	-1,355	...	-1,355	...	...	...	...	...	...	...
Total, Mines and Minerals	2,137	135,959	2,096	133,449	-5,738	127,711	2,084	135,083	1,966	107,100	-20,611	-118	-27,983

Justification of Base Adjustments
(Dollar amounts in thousands)

Mines and Minerals

	FTE-T	Amount
Transfer:	...	...

Operation and maintenance of the Automated Minerals Information System (AMIS) is being transferred from the Minerals Information program to the Automatic Data Processing, General Administration activity. This transfer involves 16 FTE and $695,000.

Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	...	+5,738

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Other increases and/or decreases:

Streamline and consolidate administrative operations	-12	- 350

Fiscal year 1987 savings of $350,000 and 12 FTE-T are anticipated in the General Administration activity, resulting from improved cost-effectiveness measures and enhanced performance in adminstrative support activities.

Rental payments to GSA	...	+ 629

The increase is a result of an appraisal and rate determination made by the GSA. The 1987 estimate of $5,428,000 is an increase over the 1986 estimate of $4,799,000.

Use of amount deferred in FY 1985	...	+1,355

P.L. 99-88 required the deferral of $1,355,000 in FY 1985 to be used for FY 1986 research program activities. To maintain the FY 1987 research base at the FY 1986 program level, this amount must be added to the FY 1986 appropriated levels.

Activity Summary
(Dollars in Thousands)

Activity: Minerals Research

Subactivity (program)	FY 1985 Actual (B. A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) or Dec.(-) 1987 Est. over 1987 Base
Health and Safety Technology	33,931	33,602	32,172	33,663	26,121	- 7,542
Mining Technology	13,526	13,415	12,585	13,176	9,744	- 3,432
Minerals and Materials Research	32,761	32,515	31,131	32,515	25,315	- 7,200
Total	80,218	79,262	75,888	79,354	61,180	-18,174

Justification of Program and Performance

Activity: Minerals Research
Subactivity: Health and Safety Technology

(Dollar Amounts in Thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Health Engineering Technology	$	7,471	7,153	7,484	5,355	-2,129
	(FTE-T)	(92)	(92)	(92)	(92)	(...)
Respirable Dust	$	6,283	6,016	6,293	4,416	-1,877
Physical and Chemical Agents	$	...	...	...	939	+939
Noise Control	$	1,188	1,137	1,191	...	-1,191
Safety Hazard Reduction	$	26,131	25,019	26,179	20,766	-5,413
	(FTE-T)	(471)	(462)	(462)	(425)	(-37)
Ground Control	$	8,769	8,396	8,795	8,059	-736
Industrial Hazards	$	7,326	7,014	7,348	6,357	-991
Mine Disaster Prevention	$	...	...	...	+2,892	+2,892
Fire & Explosion Prevention	$	4,587	4,391	4,590	...	-4,590
Methane Control	$	994	952	994	...	-994
Postdisaster	$	994	952	994	...	-994
Explosives	$	1,437	1,376	1,436	1,436	...
Systems Engineering	$	2,024	1,938	2,022	2,022	...
Total Requirements	$	33,602	32,172	33,663	26,121	-7,542
	(FTE-T)	(563)	(554)	(554)	(517)	(-37)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Health and Safety Technology	$33,602	-$1,430	$32,172

As a result of the $1,430,000 P.L. 99-177 reduction, research in all program areas will be stretched out, resulting in delays in obtaining research results. Where possible, anticipated program efforts will be delayed rather than cancelled, although some lower priority efforts may be eliminated. Funds provided to support research at the Respirable Dust Generic Center will be reduced by the same percentage applicable to the total program. Funding of efforts added by the Congress in the areas of ground control, industrial hazards, fire and explosion prevention, methane control, and postdisaster will also be reduced by the same percentage.

SUBACTIVITY OVERVIEW

In recent years, there has been relatively constant progress in reducing the number of occupational deaths and injuries in the mining industry. This progress has resulted from technological improvements pioneered by Bureau research; regulation, inspection and enforcement efforts conducted by the Mine Safety and Health Administration (MSHA); the more widespread use of safer mining methods; and improved safety and health efforts by the industry, unions, and individual miners. Despite this progress, mining is an inherently dangerous occupation. To assure a continuing positive impact on the health and safety of mine workers, continued efforts to address the more serious health and safety problems are needed.

As authorized by the Federal Coal Mine Health and Safety Act of 1969, as amended, Bureau health and safety research addresses the problems of three interacting elements--the miner, the workplace, and mining equipment. Research projects are evaluated in terms of the causes and rates of fatalities, injuries and illnesses; anticipated impact of trends in the mining industry and injury incidence of miners; and health and safety compensation payments. The program is closely coordinated with MSHA, the National Institute for Occupational Safety and Health (NIOSH), other Federal agencies, States, the mining and mineral industries, and foreign mining research organizations. The total program is reviewed by MSHA and research priorities are jointly established. The industry participates in cooperative projects and technology transfer seminars.

When mining accidents occur, they are more likely to cause fatalities or serious injuries than those experienced in most other industries. Although the average rate of occupational injuries experienced by miners is now roughly comparable to that in other industries, the fatality rate continues to be approximately five times that for all others. Lost workday accidents remain almost twice as high for coal mining as for all industries. Furthermore, the rate of lost workdays due to injuries for coal mining is approximately four times the average for all industries. The mining industry averaged over 190 fatalities in each of the last five years.

Injuries and fatalities are expensive. It is estimated that mining accidents cost $250 million annually. In addition, long-term exposure of miners to excessive levels of respirable dust causes black lung, silicosis, and other disabling respiratory disorders. (Since 1970, compensation to over 500,000 former miners and their survivors receiving black lung compensation have cost the Federal Government over $17 billion. Outlays for black lung benefits are estimated at almost $2 billion in 1986.) It is also estimated that there will be about 500 new compensable cases of black lung each year for the next decade, and noise-induced hearing loss in the mining industry also may lead to future compensation costs.

Project 2000, the Bureau's long range strategic planning effort, has identified health and safety goals to guide Bureau programs. The Health and Safety Technology objectives which follow are based on those goals. The mining industry is not well equipped to cope with its health and safety problems. Although there are some large mines and large mining companies, nearly 90 percent of the Nation's 3,600 underground coal mines employed fewer than 50 people in 1984. These small mines, scattered throughout the Nation, do not have the resources necessary to perform the scientific studies needed to mitigate serious health and safety problems.

The proposed Health and Safety Technology program provides for research necessary to continue the program at a level which addresses major areas of concern, particularly research dealing with respirable dust, human factors, ground control, and disasters. It reflects the priorities established in coordination with MSHA and the most recent MINING HEALTH AND SAFETY RESEARCH PROGRAM STRATEGY document agreed to by the Bureau and MSHA. It will also provide for research support to MSHA's regulatory mission mandated by Public Law 91-173 as amended by Public Law 95-164. Research will be directed toward conducting long-term basic investigations to provide new knowledge, information and technology to minimize the health and safety hazards presently found in underground and surface mining and minerals processing operations. Focus is on eliminating the hazards before they develop, on providing technology for inherently safer mining systems, and on providing adequate attention to the human element in order to assure proper correlation between mine workers, the environment they work in, and the tools and equipment with which they work. The proposed program provides for research in Respirable Dust, Physical and Chemical Agents, Ground Control Industrial Hazards, Mine Disaster Prevention, Explosives, and Systems Engineering.

All research was evaluated using the following factors: causes and rates of fatalities, injuries and illnesses; anticipated impact of trends in the mining industry on injury and fatality rates; potential impact of research results on the illness and injury incidence of miners; and health and safety compensation payments. The research efforts that were reduced were judged to be lower in relative priority.

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HEALTH ENGINEERING TECHNOLOGY

Authorization: 30 U.S.C. 951 (as amended by P.L. 95-164)

Objectives:

- To provide information and technology for controlling respirable dust at or below the maximum permissible exposure levels stipulated by Federal legislation and regulations.
- To investigate new and improved noise control technology for incorporation into the design and manufacture of new mining machinery.
- To explore new technology to monitor and control toxic products and airborne contaminants released into the mine environment.

* * * * *

Program Elements:

Respirable Dust

FY 1986 Adj. Approp.: $6,016,000
FY 1987 Estimate: $4,416,000

Overview:

Respirable Dust research seeks to develop technology to control dust levels in all mining and mineral processing operations at levels at or below those stipulated by Federal legislation and regulations. Long-term exposure to excessive levels of respirable dust causes black lung, silicosis, and other disabling respiratory disorders. These respiratory disorders are the most widespread and costly of the health problems in underground mining. The human suffering and compensation costs attributed to these diseases place significant social and economic burdens on the Nation. Since 1970, over 500,000 former miners and their survivors have been awarded black lung compensation. The cost of this compensation has totalled over $17 billion and is expected to cost $2 billion in 1986. This high compensation cost is related to respirable dust exposure of workers in the past. Research on improved dust control technology will minimize future cases of these disabling respiratory diseases and reduce future compensation costs.

The long-term research strategy consists of three interrelated tasks: (1) achieve a better understanding of how coal and other minerals are fractured so that less dusty cutting techniques and procedures can be conceived; (2) improve airborne dust dilution, suppression, and capture once dust is released during the mining cycle; and (3) accurately measure and characterize dust to understand better how it moves and settles and to determine its source.

Problem:

In support of the long-term research strategy, the major focus of the FY 1987 research program will be directed toward solving the silica (quartz) dust problems in coal mines. Dust standards become more stringent when respirable silica dust is present in the mine atmosphere. The number of coal miners placed on the more stringent standards is increasing each year with over 57,000 miners expected to be on reduced standards in 1986 (Fig. 1). The number of miners on more stringent standards has increased because improved analytical procedures now being used by MSHA allow better measurements to be made of silica in coal mine dust. In many cases these standards cannot be met with present technology without decreasing coal production. To reduce dust levels to within the standards, the fundamental theory of coal and rock fracture mechanisms which generate coal and silica dust needs to be better understood. This understanding will allow the development of the necessary control concepts. New concepts are required since the most effective current dust control techniques are still not adequate to enable mines with high silica concentrations to comply with Federal dust standards. In addition, instrumentation that can measure respirable dust in real time is not commercially available and is needed for more effective dust control and to differentiate between the various types of respirable mine dusts such as coal, rock, clay, welding fumes, diesel engine exhaust particulates, and other suspended particles less than 10 micrometers in diameter.

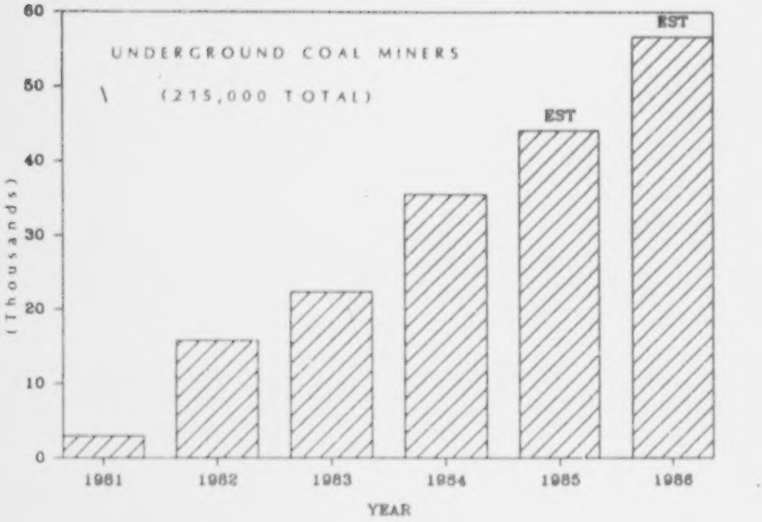

FIGURE 1. Miners on more stringent standard due to silica in underground coal mines.

Related Bureau of Mines Activities: The Generic Minerals Technology Center for Respirable Dust at Pennsylvania State and West Virginia Universities carries out a research program which compliments these efforts. Research projects performed by the Center are reviewed by Bureau staff to ensure that duplication of effort is avoided and that the Center's projects support the Bureau's efforts to seek solutions to the dust problem. Funding to the Center has been provided by grants from Health and Safety Technology funds in FY 1985 and FY 1986. These funds will support the Center's research program through FY 1988. No additional funds are requested for this purpose in FY 1987.

Program:

o Dust Formation

Progress in FY 1986 and Prior Years: Reduction of dust levels to levels specified by health standards when respirable silica dust is present requires identifying the dust sources and understanding the dust generation mechanisms of both coal and rock cutting and fracturing. Primary sources of silica dust have been identified in the three basic types of coal mining--continuous mining, longwall mining, and surface mining. A mathematical model of rotary cutting systems has been formulated that provides the best cutting parameters to reduce dust generation and energy consumption. This mathematical model correlates machine cutting parameters such as bit type, bit location, cutting speed, and depth of cut with dust generation. As a result, these parameters now can be controlled by the machine operator or by manufacturers of new equipment. Studies have been initiated to identify the physical and chemical characteristics of coal and rock to understand the dust formation theories to design optimum control techniques which enable the material to be fractured with less dust generation.

Proposed Work in FY 1987: Laboratory investigations relating coal and rock fragmentation modes with size and quantity of particles generated will be integrated into new cutting system concepts, which will lead to less dust generation. The physical and chemical characteristics of the various mine dusts will be identified to enable effective control concepts to be devised for specific control of the most hazardous dusts.

o Dust Suppression

Progress in FY 1986 and Prior Years: Techniques to reduce dust at the working face include three basic concepts: dilution of the dust concentrations with ventilation, dust capture by water sprays and foam, and use of mining procedures that result in less exposure of the workers to generated dust (Fig. 2). The feasibility of combining several dust control concepts previously developed has been established for longwall mining operations. A combination of water-spray nozzles with ventilation curtains and mining procedures has been demonstrated. Alternative ventilation schemes using exhaust tubing to ventilate continuous mining sections have proven successful along with modified cutting cycles for the continuous miner. Improved roof bolter dust collection systems have been identified, as well as types of drill bits that generate less dust during drilling. A new vacuum nozzle concept to reduce dust during the packaging of cement, sand, and other fine particle minerals for shipment was developed and is commercially available. Studies involving the injection of water into the coal seam in advance of mining to reduce respirable dust levels have been successfully completed, verifying this technique.

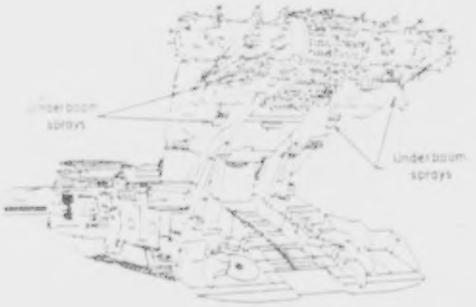

FIGURE 2. Strategically located, Bureau-developed water sprays on continuous mining machines reduce dust levels more efficiently than conventional sprays.

Proposed Work in FY 1987: Research will focus on the development of dust control concepts to reduce concentrations of the very smallest dust particles which have been identified as the most severe health hazard. To facilitate compliance with stringent Federal standards based on silica content, control methods will have to be developed to further reduce specific silica size fractions. In the past, research has focused on reducing the total mass of dust which is composed of a wide range of sizes. Techniques to suppress specific types of respirable dusts other than coal will be investigated. These include rock, clay, welding fumes, and diesel engine exhaust particulates.

o Dust Measurement

Progress in FY 1986 and Prior Years: The accurate real-time measurement of respirable dust in the mine environment is extremely difficult, and commercial instruments to perform this measurement are not available. Laboratory evaluation of a miniaturized light-scattering personal dust exposure monitor has been completed; however, tests in varying mine environments involving different dust compositions show that additional development is required. Laboratory evaluations of a vibrating column detection principle shows promise and an instrument using this principle can be integrated into present dust sampling systems to provide instantaneous dust concentration readout. Research to selectively differentiate between diesel engine exhaust particulate and coal dust has shown size separation techniques to be feasible. Computer codes defining particle behavior in air flow streams around aerosol samplers have been developed.

Proposed Work in FY 1987: Research will investigate a real-time personal dust exposure monitor that can be used by the underground mine worker to assess dust levels and to determine the effectiveness of control methods. With the very stringent silica standards, the accuracy of the techniques used to monitor the difficult to define mine air flows will be investigated. Instruments using size selection principles to determine types of mine dusts and an easy-to-use means of measuring airborne silica will also be investigated.

* * *

Program Decrease:

Health Engineering Technology

Respirable Dust

FY 1987 Decrease: -$1,877,000
... FTE-T

In-house respirable dust research would be increased by $216,000 reflecting the continuing high priority of this research which addresses the greatest health hazard to miners. Grant funding of research at the Pennsylvania State - West Virginia University Generic Center for Respirable Dust and its affiliates, the University of Minnesota and the Massachusetts Institute of Technology, would be discontinued, resulting in a saving of $2,093,000 for a net decrease of $1,877,000. Grant funding provided in FY 1986 and prior years will support research activities at the Generic Center through FY 1988. Funding of this program through the mission-oriented Health and Safety Technology program is not considered appropriate.

* * *

Physical and Chemical Agents

FY 1986 Adj. Approp.: $ ---
FY 1987 Estimate: $939,000

Overview:

Physical and Chemical Agents has been established as a new program element to replace the Noise Control, Industrial Hygiene and Radiation Hazards elements. Research under this new program element will be directed toward development of technology to protect against harmful physical agents such as excessive noise and hazardous chemical agents such as toxic products of mining processes and airborne contaminants.

Workers in underground and surface mines are exposed to levels of noise that may cause permanent loss of hearing. This noise is emitted by many types of mining equipment. A 1976 study of 1,500 active and retired miners conducted by NIOSH revealed that by the age of 50 approximately half of the miners had a significant hearing loss (greater than 25 decibels) and 30 percent had a moderately severe hearing loss (greater than 40 decibels). The average hearing loss is over 5 times that of the general population. The Federal Mine Safety and Health Amendments Act of 1977 established maximum noise exposure levels for an eight hour shift which many mining and processing operations can meet only by reducing the worker's exposure time, which often involve production losses. Analysis of the MSHA noise dosimeter data that were taken in metal and nonmetal mines and mills since 1974 shows a gradual decrease in noise levels from 1975 through 1982. However, some noise levels in the mine environment are still in violation of the Federal regulations.

More than 100 airborne substances identified by NIOSH as harmful have been found in mines. These substances, generated during mining, can create a highly toxic atmosphere. Control of diesel emissions is of particular importance since the number of diesel engines in underground coal mines has increased by five times since 1977, with over 1,000 units now operating in coal mines. In addition, there are over 6,500 diesel units operating in underground metal and nonmetal mines.

Problem:

Current noise levels in both underground and surface mining operations are in many cases so high that workers cannot be exposed to these levels for an 8 hour shift without suffering hearing damage. In situations where the worker is wearing hearing protectors, the degree of protection provided is not known. Personal hearing protection devices such as ear muffs and plugs have been shown to provide less on-the-job protection from noise overexposures than would be predicted by laboratory tests.

New explosive compounds, and new materials for ventilation stoppings, and preservatives for mine support timbers are being used by the mining industry. The toxic products of these materials, should they be involved in a fire, have not been identified. In underground mines using diesel-powered equipment, it is difficult to maintain proper air quality in the underground mine environment as both the number of diesels used and their power ratings increase. In addition, no monitoring strategy exists to evaluate the airborne contaminants under the rapidly and continually changing mine conditions.

Program:

- Hearing Hazards (New Subelement)

  Progress in FY 1986 and Prior Years: Retrofit noise control techniques are designed for existing equipment with long-term research directed at investigating new machine design concepts to provide noise reductions. Retrofit techniques have been designed and tested for the principal noise producing equipment of personnel carriers, load-haul-dump machines, front-end loaders, dozers and utility vehicles. The feasibility of a new design of small-diameter, percussive drills and a new concept for a quieter longwall shearer drums have been verified.

  Proposed Work in FY 1987: The actual attenuation offered by hearing protectors in the acoustically harsh underground mine environment will be determined so that miners will be ensured of adequate protection. The drum designs will be verified and made available to equipment manufacturers.

- Toxic Products (New Subelement)

  Proposed Work in FY 1987: Research involving the detection, measure, and control of those substances identified by the industry, MSHA, and health agencies as requiring special emphasis will be initiated. New techniques will be devised to bring the exposure of miners to known toxic substances within acceptable limits and to identify the sources of these products. Compounds from the degradation of urethane foams, cyanide compounds, and diesel-engine-exhaust particulates will be the initial focus. Other substances will be addressed as priorities are established.

- Airborne Contaminants (New Subelement)

  Proposed Work in FY 1987: Standard techniques will be devised and verified to accurately assess the concentrations of harmful airborne contaminants found in mines. The techniques will be reduced to a procedure that can be used by the industry, which presently is operating without a standard monitoring methodology.

* * *

Program Increase:

Health Engineering Technology

Physical and Chemical Agents

FY 1987 Increase: +$939,000
+20 FTE-T

A new program element, Physical and Chemical Agents, is established in FY 1987. The research to be conducted under this element will include: (1) Hearing Hazards, (2) Airborne Contaminants, and (3) Toxic Products. Hearing Hazards subelement addresses new concepts to reduce the miners' exposure to harmful levels of noise formerly included under the Noise Control element. Airborne Contaminants research addresses the detection, measurement, and control of those substances, such as diesel engine exhaust emissions, identified by the industry, MSHA, and health agencies as requiring special emphasis. Toxic Products research devises new techniques to bring the exposure of miners to known toxic substances within acceptable limits, and to identify the sources of these products in the mine environment. Compounds from the degradation of urethane foam and cyanide compounds will be the initial focus of these efforts.

* * *

Program Decrease:

Health Engineering Technology

Noise Control

FY 1987 Decrease: -$1,191,000
-20 FTE-T

Work designing retrofit noise control techniques for existing equipment will be concluded. Incorporation of those designs into new equipment is properly a role of industrial equipment manufacturers. Higher priority long-term research addressing new concepts to reduce the miners' exposure to harmful levels of noise will be continued under the new program element entitled Physical and Chemical Agents. The Noise Control program element will be discontinued as a separate element.

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SAFETY HAZARD REDUCTION

Authorization: 30 U.S.C. 951 (as amended by P.L. 95-164)

Objectives:

- Combine knowledge of geology and the effects of mining on roof and pillars with improved mine design techniques to provide information to design more stable mine openings and pillars.
- Improve roof support systems to maintain required margins of safety.
- Establish sound human factors criteria as a basis for improved design of work station and work practices.
- Provide technology to reduce incidence of face ignitions.
- Provide the technology to design new and improved techniques and equipment for the prevention of mine disasters.
- Develop safer blasting practices.

* * * * *

Program Elements:

Ground Control

FY 1986 Adj. Approp.:	$8,396,000
FY 1987 Estimate:	$8,059,000

Overview:

Mining is a constant tradeoff between removing enough coal or mineral bearing ore from the deposit to allow for an economically viable mining operation and yet leave enough material in place for support so that a structurally stable working area can be maintained to ensure safety of mine workers. In surface mining, this involves maintaining integrity of the sloping pit walls and in underground mining it involves maintaining the load carrying capability of the mine pillars, walls, floor and roof. In 1985, 23 miners were killed when underground coal mine roof or walls failed suddenly and without warning; in addition two miners were killed in underground metal mines due to the same cause. Although overall injury rates have decreased in recent years, fatalities due to ground control failures in underground coal mines have not shown a downward trend, and have averaged 48 percent of all underground coal mine fatalities in the past five years. The fatalities highlight the need for research to achieve better understanding of the basic mechanisms involved in ground stability and support. Research conducted in the past decade was aimed at providing results that could be implemented by the industry to comply with the health and safety regulations, and thus yield a quick impact on mine accidents. The output of that effort were devices such as longer-than-seam height roof drills which are beginning to be introduced by mining machine manufacturers. These devices protect the miner only during a particular operation and do not attack the basic cause of the problem. Therefore, the program emphasis is now shifting to longer term research of the basic causes of ground failure. This research includes investigations of geologic parameters for ground control design, and establishment of fundamental ground control criteria for safer extraction methods for underground mines.

The current long-range research strategy is to: (1) combine knowledge of the geology and the effects of mining on roof and pillars with improved mine design techniques in order to be able to design more stable mine openings and pillars; (2) determine whether installed roof supports maintain desired margins of safety; (3) as necessary, develop temporary and permanent roof support mechanisms and methods to install them; and (4) devise more reliable warning systems to alert miners of hazardous ground conditions.

Problem:

Since geologic and mining conditions change from one place to another, even in the same mine, mines designed without sufficient geologic and engineering information frequently result in structural failures of underground mine openings and surface mine pits. The inability of miners to locate hazardous geologic structures and abandoned mine voids ahead of the working face continues to threaten the safety of mine workers because of imminent ground failures.

Nearly one fourth of the ground control fatalities in underground coal mines occur from failures of mine roofs that were believed to be adequately and permanently supported. These roof failures are the result of the inability to determine the best location for roof support and to understand the mechanics involved in providing safe support. An increasing number of western underground coal mines must leave a thick layer of coal in the mine roof as support. Mechanically anchored roof bolts do not work well in coal since the coal has much lower strength than most roof rock. Approximately one fifth of the roof fall fatalities in underground coal mines involve miners who have gone beyond the last permanent support to set or remove temporary support prior to or during the roof support cycle.

Related Bureau of Mines Activities: The Bureau's Mineral Institutes program includes a Ground Control Design and Planning effort centered at the Virginia Polytechnic Institute and State University, with associated work at the Universities of Alabama, Alaska (Fairbanks), Idaho, Kentucky, and Nevada (Reno). Research projects proposed are reviewed by Bureau staff to assure that duplication of effort is avoided, and that the projects supplement the Bureau's efforts to seek fundamental solutions to ground control problems.

Program:

o Design and Planning

Progress in FY 1986 and Prior Years: Progress has been made toward improvements of numerical model analysis techniques for designing stable mine structures. Improved blasting designs to reduce overbreak of high walls, thus minimizing the potential of rock fall accidents in surface coal mines, were developed. Geologic studies and mapping were conducted in both eastern and western coalfields to identify hazardous geologic features that might cause roof falls in underground coal mines. Having recognized the need for a comprehensive geologic and engineering data base, which can be accessed by mine design personnel for adequate ground control design, an effort has been initiated to establish a centralized data repository of vital information and data collected, or to be collected, from major coalfields in the United States.

Proposed Work in FY 198;: Collection, analysis, synthesis and storage of available data from previous ground control studies will be completed. These data will be reviewed and the need for additional data from newly developing coal fields will be identified. Techniques to alleviate rock burst and coal bump potential in underground mining will be refined through better understanding of ground failure mechanics and utilization of analytical tools for mine design.

o Hazard Detection and Monitoring Systems

Progress in FY 1986 and Prior Years: Development of hardware and software needed for real-time monitoring and analysis of rock noises emitted during ground failure processes was accomplished. Correlations between roof fall prone areas in underground coal mines and geologic linear features on the surface were verified as a viable tool for evaluating roof fall hazards in mines. Various geophysical hazard detection techniques including seismic methods, ground-penetrating radars, and earth resistivity methods for use from the surface or the underground working face were developed and field tested for their accuracy and reliability.

Proposed Work in FY 1987: Efforts will be continued in increasing the confidence level of predicting coal bumps and rock bursts in mines with the real-time microseismic monitoring and analysis capability. The effort to correlate ground failure observations in underground mines and the geologic lineaments data available at the Bureau's Denver Research Center obtained from the Landsat satellite will be verified. Field validation of in-seam geophysics for ground hazard detection from coal face and ribs will be completed.

o Roof Support Systems

Progress in FY 1986 and Prior Years: The Bureau has published a study which provides guidelines for determining adequate roof support when coal forms the immediate roof. A similar study provides extensive information for safe support when the roof material is soft, such as borate, trona, or potash.

Proposed Work in FY 1987: A series of comprehensive studies will be continued to determine the processes by which the mine roof rock transfers the stresses induced by mining to the roof support elements. A true understanding of the load transfer mechanism will lead to the ability to design supports required to meet the specific needs in each mine. Such design might include varying the bolt length, spacing, and angle to counter the adverse effects of localized geologic hazards in the roof such as clay veins or slips (Fig. 3).

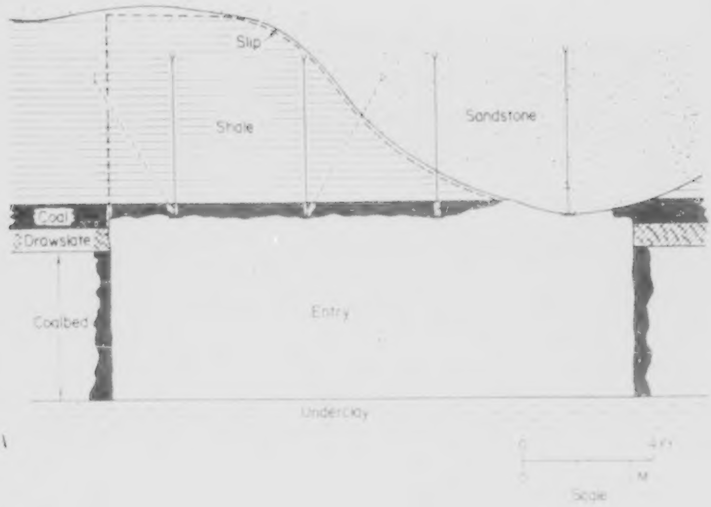

FIGURE 3. Use of angle bolts to support shale strata at sandstone margins. Dashed line outlines rock which is not fully supported by vertical bolting and could fall and injure miners.

o Safe Installation of Supports

Progress in FY 1986 and Prior Years. Past successes have included the development of automated temporary roof supports which can be economically retrofitted to roof bolting machines already in use in mines. Tests of longer-than-seam-height drills have been successful. Laboratory testing was completed on a roof bolting system which will install epoxy grouted fiberglass roof bolts of varying length, and an inorganic grout slurry bolt system. The preliminary testing of a mobile roof support (MRS) has been completed. This remotely operated device provides a safe working area during retreat mining (a mining process which removes the coal pillars that support the roof). The MRS replaces the manual operation of installing and removing wooden posts which exposes mine workers to unsupported roof.

Proposed Work in FY 1987. Future work in this area will include the continued pursuit of a device for determining the support capacity of mine roof bolts. More basic research will be aimed at the ultimate goal of installing roof support prior to excavating new mine openings.

Program Decrease:

* * *

Safety Hazard Reduction

Ground Control

FY 1987 Decrease: -$736,000
-9 FTE-T

The decrease will eliminate mine waste stability research from Ground Control research program. The ongoing efforts under this research subelement are scheduled for orderly conclusion in FY 1986. Future needs for mine waste stability research will be consolidated and addressed by solid wastes research program under Mining Technology Subactivity.

* * *

Industrial Hazards

FY 1986 Adj. Approp.: $7,014,000
FY 1987 Estimate: $6,357,000

Overview:

Industrial Hazards are faced by miners while they are handling supplies, hoisting men and material, hauling material, using electrical equipment, operating machines, using hand tools, and performing other activities in the normal work environment. The research objective is to seek knowledge or techniques that can be provided to mining personnel, operating companies, or machinery manufacturers to minimize the chance of an accident resulting from these industrial hazards. The potential for human error is great as miners must work in awkward positions and use machines in constricted underground areas, or work in or near very large mobile surface machines. A human error or equipment failure can quickly and easily become an accident that often results in injuries or fatalities. The Bureau's program is designed to provide mining personnel with the technology for reducing or eliminating industrial hazard accidents.

The current research strategy for industrial hazards research is to: (1) develop techniques to evaluate the effectiveness of miner safety training programs; (2) develop sound criteria for improved design of work stations equipment and mining and practices, and (3) devise specific measures for protecting miners against hazards.

Problem:

More than 90 percent of the total injuries (fatal plus nonfatal) occurring at mining operations result from the unique and the more conventional industrial hazards encountered during the mining process. A number of recent studies have shown that there is a wide variation in accident incidence rates among the largest mines in the U.S. The results of these studies suggest that management practices can have an influence on the accident incident rates. Further study is needed concerning the specific relationship between management practices and accidents. A principal problem resulting in industrial accidents is that the hazardous situation is not always recognized by the miners. New miners and even experienced miners who change jobs may not have had the training needed to recognize the new hazards to which they are exposed and this may result in injuries or fatalities. Improvements in mining or mineral processing equipment can cause problems for the operator if they are not properly human-engineered to improve the miner's interaction with machines and his surroundings.

The electrical power distribution systems initially installed in a mine are usually designed to be as safe as possible. However, as the mining operations continue to expand the power systems become sources of electrical accidents owing to improperly designed expansion systems. The danger of this hazard will increase as the voltages used in operating mines continue to increase.

In surface and underground mines, both mobile machines and moving parts are sources of numerous accidents. Each year, machinery related events in our Nation's mines account for over 5,000 nonfatal injuries and about 60 fatalities. This condition is largely due to mining equipment designs that give little consideration to protection of those people who work near or with the machines.

Other accidents involve a variety of equipment for moving and transporting men, materials, supplies, ore and waste. Hoisting operations in particular present a potential for disaster where over 100 fatalities could result from a single incident of hoisting failure. As the present high-grade deposits become depleted, mining operations will become deeper, more mechanized, more restrictive, and lower in minerals value resulting in more movement of ore and rock and will thereby increase the potential for more injuries and disasters.

Program:

o Human Factors

Progress in FY 1986 and Prior Years: The Bureau's Human Factors program is composed of two major areas of research: education and training, and ergonomics. Education and training is concerned with ensuring that all miners are prepared to cope with mining situations as they currently exist, whereas ergonomics efforts are directed toward designing or redesigning the work place to minimize the opportunity for inadequate human performance to occur.

Baseline health and safety training materials for all major occupational groups in the mining industry have been made available to MSHA. Human engineering requirements for selected underground coal mining equipment have been defined and improved individual protective equipment has been developed and commercialized. Research was initiated to better define the causes of human error type accidents in underground mining and to devise techniques that will lead to a reduction of these accidents. This research is continuing and is leading to findings related to behavioral accident phenomena, i.e., incidence, factors influencing accidents and ways in which management may act to help avoid them. Research to determine the relationship of current management practices to miners' safety, productivity and turnover rates will be concluded. Recommendations related to approaches for the improved management of miners will be developed. A coal mine injury analysis study by Pennsylvania State University was initiated to further identify appropriate human factors research. This effort will be continued in FY 1987 if results are favorable.

Proposed Work in FY 1987: Research will be conducted to reduce accidents by improving miners' work techniques and attitudes. Particular emphasis will be placed upon research directed toward determining the causes of human-error type accidents and what techniques can be utilized to minimize them. Investigations into improved management practices, improved training techniques, as well as studies to better determine the causes of impaired alertness will be carried out.

- Electrical Hazards

Progress in FY 1986 and Prior Years: Research efforts have provided safety factors and acceptance criteria to accurately assess electrical equipment and mine power systems. Evaluation of a prototype high voltage loadcenter has been completed, and MSHA has been provided acceptance criteria for certification of such loadcenters for voltages up to 15,000 volts.

A shock prevention study indicated that ground fault relays (GFR) could eliminate over 99 percent of the fatalities resulting from ventricular fibrillation (rapid, irregular, uncoordinated heart rhythm) that is induced by electrical shock. Research was initiated to design sensitive GFRs for low voltage alternating current (a.c.) and direct current (d.c.), and high voltage a.c. distribution use. The first of these devices, the low-voltage a.c. GFR was completed and has performed successfully in the laboratory. The device is ready for in-mine evaluation. The GFR is designed to be used with a new semi-conducting rubber-shielded trailing cable that will further minimize the electric shock potential to miners.

Investigation of d.c. fuses established realistic performance and test criteria to adequately reflect mine duty. A technique to assess the safety of earth grounding systems at metal/nonmetal mines using commercially available resistivity meters was designed and field tested at two stone quarries. The advantage of this technique is that it can be applied without shutting off the mine power and halting the operation.

Proposed Work in FY 1987: General power systems will be investigated to reduce the probability of mine fires, methane explosions and exposure of mining personnel to electrical hazards. Research will be initiated to determine the maximum safe loading for trailing cables and provide a detection scheme to avoid operating beyond those limits. Continued research efforts will evaluate stainless steel foams as a vent material in lightweight explosion-proof electrical enclosures. Postdisaster mine atmospheres sometimes contain gasses more highly flammable and more dangerous than methane. Ignition properties of the gases will be investigated to provide a greater understanding of the ignition mechanism and accurate assessment of the electrical hazard risks faced by postdisaster rescuers. Technologies sought in mine electrical system research would provide real-time monitoring techniques to predict incipient failures in the mine power system.

- Equipment Hazards

Progress in FY 1986 and Prior Years: Equipment safety research will emphasize advanced sensing technology, process control, and automation. To improve the safety of mobile mine operators, work is directed toward the vehicle/object collision hazards in surface mines through advancing the technology to make the operators more aware of the surroundings. Roll over protective structure durability and fatigue resistance studies were completed in FY 1985 and large vehicle collision protection work will conclude in FY 1986, and the results from both investigations will be published.

Alternatives to full coverage cabs and canopies for equipment operated in thin-seam underground coal mines are being pursued. Research efforts are directed toward designing feasible limited coverage protective structures and removing the operator to a protected area away from the face while permitting remote control of the machine. Automation and robotics technology will offer the ultimate solution to the hazards of mining. Computerized monitoring and control equipment is becoming more common in the mining industry. A study to assess the feasibility of utilizing robotic and artificial intelligence technology in underground mining for improved worker safety was initiated.

Proposed Work in FY 1987: Special parts or mechanisms will be incorporated into innovative mining equipment designs to protect miners from the hostile environment or to replace the miner in hazardous situations. Specific research technology to reduce equipment-related accidents include robotics, limited operator protection for thin-seam underground machines, and operator compartments positioned remotely and safely away from face equipment. Continued research will be directed toward improving the technology of real-time systems that are capable of monitoring and controlling mine parameters resulting in increases in safety and production. Equipment that requires less maintenance, and new mining concepts will also be investigated. Certain mining operations will be modified to reduce hazards such as a pillar retreat system that minimizes the exposure of miners to caving roof.

- Haulage and Materials Handling Hazards

Progress in FY 1986 and Prior Years: Bureau research maintains a role in identifying and correcting safety hazards in the numerous haulage and transport systems (trucks, conveyors, rail, hoists, etc.) used in the mining industries. A significant effort will be directed toward investigating methods to improve wire hoist-rope safety. Research will be conducted to derive improved methods for nondestructive inspection, use, and selection of mine hoist rope and associated equipment, and to prepare new hoist rope retirement criteria based upon scientific findings.

Several materials handling aids were designed and tested to determine actual safety advantages in underground coal mines. Four different devices were fabricated and are being field tested in underground mines. The equipment includes the scoop boom, mine jack/wheel changer, pivot crane, and mud cart. Surface tests for the track maintenance vehicle were completed in FY 1985, with in-mine testing ending in FY 1986. The loading and unloading of daily supplies and materials in underground mines account for the greatest share of injuries. Research efforts concentrate on defining specifications for systems that eliminate the need to manually handle supplies including palletization of materials and specialized materials handling devices. Two underground forklift devices were fabricated to test the palletization concept. A diesel-powered forklift was selected for further testing as the battery-powered vehicle did not perform satisfactorily underground. For low seams, scoop-mounted forks were developed. Preliminary data on the variables affecting conveyor belt cleaning efficiency was collected and analyzed.

In support of wire hoist rope research, an 800,000 pound tensile test machine was installed and accepted by the Bureau in FY 1985. Work on the installation of a bending fatigue machine is slated for completion in FY 1986. Tensile testing and flexing wear testing of wire rope to determine safe useful life continued. An accurate data base from these standardized tests is needed for comparison testing with results from nondestructive testing devices. Laboratory studies of failure modes will include corrosion and wire fatigue. Studies will also investigate survivability of man and hoist components following an emergency stop.

Proposed Work in FY 1987: Mechanization techniques will be devised to either assist miners in manual lifting tasks or to reduce the need for manual lifting through palletization of supplies. The disaster potential of hoisting operations will be reduced through providing technology that will enable the real time, nondestructive evaluation of the remaining strength of wire hoist rope and the generation of design criteria for mine hoist arrestment devices. The failure of current design methods to produce acceptable operator compartments for thin-seam shuttle cars requires a different design approach. A promising solution that will be investigated is to design the shuttle car around the operator compartment. The Bureau will seek to decrease the number of injuries resulting from materials handling by developing the concepts for safer alternatives.

* * *

Program Decrease:

Safety Hazard Reduction

Industrial Hazards

FY 1987 Decrease: -$991,000
-8 FTE-T

The current phase of efforts in long-term robotics technology research under contracts with Carnegie-Mellon and West Virginia Universities is scheduled for completion in FY 1986. The results of these completed efforts will supplement and complement ongoing in-house research projects in this area, which have a potentially great impact in reducing accidental injuries in the mines and continue to have a high priority.

* * *

Mine Disaster Prevention

FY 1986 Adj. Approp.: $ ...
FY 1987 Estimate: $2,892,000

Overview:

Mine disaster prevention will be established as a new program element to replace the Fire and Explosion Prevention, Postdisaster Survival and Rescue, and Methane Control elements. Research under this new program element will be directed toward the development of technology to prevent or minimize the impact of mine disasters. A disaster is an accident of major proportions that has the potential of taking a significant toll in human lives; in the underground mine environment, the potential of a disaster-causing event is ever present. These events include fires, explosions, and inundations of gasses and water.

This research will explore technologies that will lead to a reduction of the dangers of fires and methane and dust explosions in mines, with particular emphasis placed on research directed toward suppression of high energy, deep seated mine fires. Also included in the "prevention" related research is that research dealing with the control of methane. Methane, which represents an explosion and fire hazard in underground mining operations, continues to be a safety problem as deeper and more gaseous coalbeds and ore deposits are mined.

If a disaster cannot be prevented, it may entrap miners whose normal escape route is cut off and require a rescue operation and a means of keeping the trapped miners alive while they await rescue. Research will be pursued to develop techniques to enhance the miner's chances of surviving such a situation. This effort will involve research to improve techniques and equipment to locate and rescue trapped miners and to provide means for the miner to arrive the hostile environment that results from the disaster.

Problem:

Adequate means must be available to detect and control disasters. However, if a disaster does occur, the miner must be able to survive until he can escape or be rescued.

Program:

- Fire Hazards

  Progress in FY 1986 and Prior Years: The relationship between failure/failure/error rates for generic types of fire detectors and temperature and humidity typically encountered in deep metal mines has been established. Individual effects, as well as the synergism between temperature and humidity, have been evaluated. Moreover, the Bureau's submicrometer particle detector (SMPD) has been demonstrated to give the earliest warning of smoke and fire detection. The SMPD also has been used to verify that smoke particles can be distinguished from diesel particles by analyzing the products of combustion. Investigations of new fire detection and extinguishing systems have been directed towards suppressing high energy, deep seated mine fires to help ensure that disasters such as the Wilberg Mine fire in Utah are not repeated. In addition, data on toxic fumes, smoke, and heat resulting from fires will be assessed to mitigate miner vulnerability.

Proposed Work in FY 1987: Practical inspection and test procedures will be devised to provide assurance that fire suppression systems will not fail. The effect of ventilation flow rates on toxic gas generation from mine combustibles such as conveyor belting and ventilation ducting will be determined. Guidelines will be devised for the optimum opening and recovery of sealed fire areas.

- Explosion Prevention

Progress in FY 1986 and Prior Years: Mathematical models were developed for the thermal decomposition of coal dust and inhibitor particles with experimental data for laser-induced decomposition of those particles in order to determine mechanisms for ignitions and how to suppress them. Effective fire-resistant stoppings to contain the spread of fire were developed. A field worthy prototype methanometer that will provide reliable mine face monitoring of methane from safe remote locations has been evaluated. Finally, phenomena involving the propagation of explosions in mines have continued to be validated using mine-scale parameters with a focus on protecting longwall miners from coal dust explosions. This rigorous requirement for validation is necessary because explosions in mines are associated with multiple fatalities and massive property losses.

Proposed Work in FY 1987: A machine mounted frictional ignition suppression system will be investigated to determine if it can be expanded for use for other types of ignitions. Dangerous explosion conditions for coal and shale dusts will be ascertained by conducting fullscale tests. As hazardous conditions are identified techniques to inhibit explosions will be investigated, with emphasis on longwall explosion prevention techniques.

- Survival and Rescue

Progress in FY 1986 and Prior Years: A low-profile light-weight breathing apparatus was developed for use by rescue teams working in confined areas. Medium frequency radio trapped miner location technology was adapted for use in mine rescue team communication systems Improved computer-controlled breathing and metabolic simulator technology was developed and put into use to more accurately test breathing apparatus and conduct related research. Measurement instrumentation for rescue teams was developed and made available to the industry and to MSHA.

Proposed Work in FY 1987: Research will be conducted to formulate the design parameters for a smaller, lighter weight self contained self rescuer (SCSR) that is belt wearable. Studies will be conducted to determine more effectively emergency procedures for handling mine disasters. Rescue and survival systems and strategies will also be investigated for effectiveness and possible improvement, particularly in light of the recent Utah mine disaster.

- Gas Migration and Outburst

  Progress in FY 1984 and Prior Years: The relationship between the gas content and petrographic characteristics of coal was determined for coalbeds in several basins. This resulted in a petrographic technique for indirectly and more rapidly determining gas content of coal. Investigations of methane control technologies for very large openings such as in some metal and nonmetal mines were completed. These large mine openings present very difficult problems for ventilation and airflow. MSHA-requested research to determine the static charge build-up on methane drainage pipelines was completed. The results showed that there is no significant problem with static charge build-up on pipelines. Techniques for maintaining adequate ventilation while making deep cuts up to 40 feet were developed and made available to the coal industry.

  Proposed Work in FY 1987: Neither the source nor the extent of methane hazards in metal and nonmetal mines is well understood. These hazards will be more clearly identified in order that control technologies can be improved and/or developed. Improved longwall methane gas control techniques will be investigated.

* * *

Program Increase:

Safety Hazard Reduction:

Mine Disaster Intervention

FY 1987 Increase: [illegible]
[illegible]

Ongoing research in the areas of Fire and Explosion Prevention, Methane Control, and Postdisaster Survival and Rescue will be combined under this new element. The efforts will include: (1) Fire Hazards, (2) Explosion Prevention, (3) Survival and Rescue, and (4) Gas Migration and Outburst. Research will continue to address new concepts to reduce these hazards, and will also address those actions miners can take before or when a potentially disastrous event. This research has been given high priority by the Bureau and MSHA because of recent mine disasters, particularly the 1984 Wilberg Mine Fire in Utah.

* * *

Program Decrease

Safety Hazard Reduction

Fire and Explosion Prevention

FY 1987 Decrease -$4,380,000
-37 FTE-T

High priority investigations of new fire detection and extinguishing systems directed towards suppressing high energy, deep seated mine fires; assessment of data on toxic fumes, smoke and heat resulting from underground mine fires to mitigate miner vulnerability; and more effective fire resistant stoppings were conducted with additional funding added by the Congress in the wake of the Wilberg Mine Fire. These efforts have been successful in addressing the immediate problems and identifying high priority research to be continued under the new Mine Disaster Prevention element. The Fire and Explosion Prevention element will be discontinued as a separate element in FY 1987 to combine and better coordinate efforts related to the prevention and mitigation of mine disasters.

Program Decrease

Safety Hazard Reduction

Methane Control

FY 1987 Decrease -$994,000
-4 FTE-T

Methane drainage technology, both before and during operations, has been developed by the Bureau, successfully demonstrated in underground mining operations, and widely adopted by the industry. The industry, with assistance from MSHA, will be able to better prevent the accumulation of potentially explosive methane concentrations as a result of this completed research. Any further research needed in this area will be conducted under the new Mine Disaster Prevention element, and Methane Control will be discontinued as a separate program element.

* * *

Program Decrease

Safety Hazard Reduction

Postdisaster

FY 1987 Decrease -$994,000
-4 FTE-T

Research to develop the first generation, oxygen producing self rescuer to protect the miner from toxic gases has been completed and successfully demonstrated. Communication systems which locate trapped miners were developed by prior Bureau efforts and are available for use by MSHA in future disaster situations. Further efforts in these areas are not a high priority at this time, and do not justify the continuation of a separate program element. If additional basic research is identified, it will be conducted under the new Mine Disaster Prevention element.

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Explosives

FY 1986 Adj. Approp.: $1,376,000
FY 1987 Estimate: $1,436,000

Overview:

The goal of explosives research is to provide safer explosive products, initiation systems and blasting practices. Variable rock strata in underground mines can contribute to burning rather than detonation of explosives, or to violent ejection of hot explosive particles from the drill hole. In a gassy and dusty mine, either event can cause a fire or explosion.

The current research strategy is to: (1) collect and evaluate explosives hazard data on explosive products, permissibility testing and certification; (2) investigate mandated blasting practices to determine degree of safety; and (3) develop basic explosives performance data.

Problem:

New explosives such as water-gels and emulsion explosives misfire under varying temperatures and pressures. Also, new blasting agents and initiating systems which are suspected of causing misfires are being developed and marketed. Permissible explosives can misfire if initiation systems are inadequate or used improperly, or conversely, detonate if the explosive is accidently exposed to stray stimuli.

Program:

- Explosive Hazard Identification

  Progress in FY 1986 and Prior Years: The Bureau continues to test newly formulated permissible explosives for incendivity, sensitivity, detonation properties, and composition for MSHA certification. This testing is performed under a Memorandum of Understanding (MOU) with MSHA for all explosives used in underground coal mines. The Bureau, also by MOU with MSHA, maintains surveillance over the quality of permissibles used in coal mines through testing of field samples.

  Proposed Work in FY 1987: This is a continuing activity under a long standing MOU with MSHA.

- Blasting Practice Studies

Progress in FY 1986 and Prior Years: Studies of shooting-off-the-solid, a potentially dangerous practice where a free space is not provided for the blasted coal, has provided new technology immediately impacting blasting practice for at least 350 small coal mines. Result of the research on the 500 millisecond blasting interval indicates the interval can be extended without increasing tne hazard and the result has been provided to MSHA. Procedures, conditions, and new products have been evaluated to optimize blasting safety, such as reducing flyrock. Determinations were made showing how blasting problems with coal dust compare with those of oil shale dust.

Proposed Work in FY 1987: Research will continue to devise improved technology for safely breaking rock. Efforts will continue to analyze blasting and explosives related accidents in surface and underground mines, provide a better understanding of initiation and propagation phenomena when explosives detonate and deflagrate, determine physical and chemical aspects of new water-gel permissible explosives, and initiate an evaluation of blasting practices in gassy mines. In FY 1987, the emphasis will shift to address the problems inherent in blasting in gassy non-coal mines, a mining situation of increasing importance.

* * *

Systems Engineering

FY 1986 Adj. Approp.: $1,938,000
FY 1987 Estimate: $2,022,000

Overview:

The Bureau's two test mines at Bruceton, Pennsylvania, and the Lake Lynn Laboratory at Fairchance, Pennsylvania, will continue to provide the unique facilities required by the various health and safety research areas for investigations of full-scale complex technical problems. These facilities allow detailed, time-consuming research that often cannot be performed in cooperator mines.

Problem:

Specialized underground and surface mining facilities are needed by the Bureau for full-scale tests and evaluations of research results. These unique facilities must be maintained by the Bureau because they do not exist in other Federal agencies or in the private sector.

- Test Facilities

Progress in FY 1986 and Prior Years: Full-scale mine experiments have been conducted at the Lake Lynn Laboratory involving explosive initiation systems, burn tests on ventilation ducts and oil cans, blast designs for gassy noncoal mines, ventilation techniques for large geometry openings, and explosion barriers. A face ignition suppression system on a continuous miner was successfully evaluated. A gallery for evaluating the incendivity of explosives is now on-line at Lake Lynn Laboratory. The open design and remote location of the gallery make it suitable for a variety of explosive shots not possible at the Bureau's Bruceton location. Other Lake Lynn Laboratory experiments have involved noise control and equipment evaluation. Additional full-scale mine experiments have been conducted at the Experimental and Safety Research Mines involving over 50 full-scale mine explosions per year, trickle-dusters, roof drilling equipment, ultrasonic scans through coal pillars, integrity of block bulkheads, sulfur hexafluoride tracer gas ventilation transport, self-contained self-rescuers, fiber optic machine illumination systems, location of trapped miners, a large-scale (14 tons) coal fire, wireless communications, a resin-bolt anchorage tester, roof and rib grouting, an automated roof bolter, and an in-seam tester/water jet assisted coal cutter. The Bruceton mines are located at the Pittsburgh Research Center allowing convenient access by Bureau researchers. Experiments have been performed involving ventilation, ground control research, illumination, human factors, explosives, fire and explosion research, and communication and postdisaster equipment evaluation.

Proposed Work in FY 1987: The Bureau's full-scale test facilities at Bruceton and the Lake Lynn Laboratory will continue to be maintained in order to investigate such research areas as expert systems for ventilation, sealed mine fires, diesel-discriminating mine fire detectors, and nonincendive shaped explosive charges for removal of bulkheads and roof fall hazards. These facilities are vital for evaluating and refining new technology before subjecting them to expensive long-term evaluation in working mines.

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SUBACTIVITY CHANGES FOR FY 1987

In Health and Safety Technology there are funding increases in two program areas and decreases in seven program areas.

		(Dollar Amounts in Thousands)		
		FY 1987 Base	FY 1987 Estimate	Changes
Health Engineering Technology				
Respirable Dust	$	6,293	4,416	-1,877
	(FTE-T)	(72)	(72)	(...)
Physical and Chemical Agts	$	...	939	+939
	(FTE-T)	(...)	(20)	(+20)
Noise Control	$	1,191	...	-1,191
	(FTE-T)	(20)	(...)	(-20)
Safety Hazard Reduction				
Ground Control	$	8,795	8,059	-736
	(FTE-T)	(192)	(183)	(- 9)
Industrial Haz.	$	7,348	6,357	-991
	(FTE-T)	(165)	(157)	(- 8)
Mine Disaster Prevention	$	...	2,892	+2,892
	(FTE-T)	(...)	(42)	(+42)
Fire and Expl. Prevention	$	4,590	...	-4,590
	(FTE-T)	(57)	(...)	(-57)
Methane Control	$	994	...	-994
	(FTE-T)	(4)	(...)	(- 4)
Postdisaster	$	994	...	-994
	(FTE-T)	(4)	(...)	(- 4)

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the $7,542,000 decrease for the Health and Safety Technology subactivity is as follows:

	FTE-T	Amount
Personnel Compensation	37	$1,534,000
Personnel Benefits		214,000
Other Services		5,794,000
TOTAL		$7,542,000

Justification Of Program and Performance

Activity: Minerals Research
Subactivity: Mining Technology

(Dollar Amounts in Thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Advanced Mining Technology	$	10,106	9,676	10,141	8,189	-1,952
	(FTE-T)	(110)	(107)	(107)	(91)	(-16)
Metal/Nonmetal Mining Technology	$	5,231	5,008	5,271	4,294	-977
Coal Mining Technology	$	4,875	4,668	4,870	3,895	-975
Resource Conservation Technology	$	3,039	2,909	3,035	1,555	-1,480
	(FTE-T)	(24)	(22)	(22)	(16)	(-6)
Controlling Mine Wastes	$	1,621	1,552	1,619	629	-990
Conserving Land Resources	$	1,418	1,357	1,416	926	-490
Total Requirements	$	13,145	12,585	13,176	9,744	-3,432
	(FTE-T)	(134)	(129)	(129)	(107)	(-22)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Mining Technology	$	13,145	-560	12,585

As a result of the $560,000 P.L. 99-177 reduction, research in all program areas will be stretched out, resulting in delays in obtaining research results. The reductions will primarily affect in-house research. Where possible, anticipated program efforts will be delayed rather than cancelled, although some lower priority efforts may be eliminated. Funding of efforts added by the Congress in the areas of in situ mining, proof-of-concept validation, acid mine drainage, and subsidence control will be reduced by the same percentage applicable to the total program.

SUBACTIVITY OVERVIEW

The Mining Technology subactivity provides mining and related technologies needed to assist mining of domestic deposits containing critical, strategic, and other essential minerals such as coal in an environmentally acceptable manner at costs low enough to be competitive in world and domestic markets. Improved technologies are necessary in order to recover economically low-grade critical and strategic mineral deposits that are now unmined and will remain so without innovative advances; to provide advanced coal mining technologies in order to ensure adequate supplies of competitively priced coal and to improve resource recovery; and to minimize problems associated with mine waste disposal, mine waters, and surface subsidence.

The program addresses long-term problems that must be solved to meet national mineral needs. Ideas and guidance from industry, academia, and other Government organizations have been and continue to be solicited to ensure that the research realistically addresses the most important technological problems and that the program meets national mineral needs.

Technical emphases for the current Mining Technology research program are derived from long range planing activities and from recommendations of the Committee on Mineral Technology for the National Research Council of the National Academy of Sciences. Most of the technical areas recommended for the study by the Academy have been incorporated into the program. Specific areas in the current and proposed research efforts are:

- Technologies to maximize resource recovery from domestic mineral deposits while mining at greater depths and/or in lower grades of ore.
- Technologies such as automation to more efficiently extract coal resources from coal seams which are difficult to mine with existing practices.
- Technologies to control, treat, utilize or otherwise dispose of mine waste materials.
- Technologies to combat or prevent problems associated with mine subsidence such as damage to commercial and residential buildings, drainage systems, dams, bridges and other man-made structures.

Bureau of Mines research, in support of the national needs as identified by Project 2000, addresses the fundamental and long-term, high-risk problems in those areas where there is not sufficient economic incentive for any one company to do this research but where the potential benefit to society as a whole justifies Federal involvement. Thus the Bureau of Mines' research results will form the foundation for future site specific private industry developments.

There are two programs in the subactivity. Advanced Mining Technology addresses the extraction of metal and nonmetal minerals and coal, while Resources Conservation Technology provides technology to help preserve the quality of those land and water resources impacted by mining. The latter program sponsors studies which investigate problems of mine wastes and mine water and the effects of subsidence on land and surface structures.

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ADVANCED MINING TECHNOLOGY

Authorization: 30 U.S.C. 1-11

Objectives:

- Expand fundamental knowledge and understanding of mining processes in order to optimize exploration, development and extraction operations.
- Advance the technology of mining in ways that will improve the competitive position of the domestic mining industry with respect to foreign sources thereby stimulating domestic production, improving domestic supplies, strengthening the economy, and decreasing minerals and energy supply vulnerability.
- Provide research results that can improve productivity and resource recovery in mining operations.
- Investigate alternative mining methods to increase domestic production of critical and strategic minerals from low grade ore deposits.

Related Bureau of Mines Activities: The Bureau's Generic Mineral Institutes program (see the Minerals Institutes section of this document) includes a mine systems design effort centered at the Virginia Polytechnic Institute and State University, with affiliated work at the Universities of Alabama, Alaska (Fairbanks), Idaho, Kentucky, Nevada (Reno), and Southern Illinois.

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Metal/Nonmetal Mining Technology

FY 1986 Adj. Approp.:	$5,008,000
FY 1987 Estimate:	$4,294,000

Overview: This program investigates technological advances needed to maximize resource recovery from domestic deposits while mining at deeper depths and/or in continually declining ore grades. Strategic minerals exemplify the problem as many of this Nation's deposits are uneconomical to mine because of limited size, low grade, or adverse geologic factors. The major areas of research address the basic steps involved in extracting ore from the ground; gaining access to underground deposits; stability of mine openings; breaking and movement of ore and waste in mines; and determination of physical, chemical, and engineering properties of deposits. Technologies needed to recover minerals from the seafloor are also addressed.

Problem: The underground metal/nonmetal mining environment presents unique problems. The minerals must be detected and quantified if the mine is to be opened and operated successfully. Currently, expensive drilling techniques are used to determine the grade and extent of the deposit. These costs need to be reduced if our Nation's mines are to remain competitive with other countries in the world marketplace. Merely knowing the value of the mineral deposit is not sufficient as the minerals must be accessible. In deep underground mines, geology, high temperatures and high rock stresses can all impede the economic recovery of valuable minerals. Technology must be available to meet the challenge of deeper, leaner deposits or more U.S. mines could easily become unprofitable and close.

Another operation which greatly impacts the cost of mining is breaking the ore so that it can be transported to the surface for processing. Current technology uses bits and other tools made of cobalt and/or tungsten alloys which are expensive and are made with critical minerals that are needed in equipment for the defense of our Nation. Alternative mining techniques are needed to reduce the cost of breaking the ore and to make the hard rock mining operation more continuous and efficient while conserving our valuable strategic minerals.

As we continue to mine deeper or as our easily accessible mineral deposits become of lower grade, new mining methods may be the only viable alternative for recovering some of the minerals necessary for our society's continued high standard of living. In situ mining, where minerals are leached from their host rock underground, could provide a much needed, more economical extraction alternative with reduced environmental disturbances. This technology is hampered by a lack of understanding of the fundamental relationships of fluid flow through the rock, leach chemistry, control of leach solutions, and optimum well installation and pumping techniques.

Program:

- Underground Methods

  Progress in FY 1986 and Prior Years: Research concentrated on the effects of rock stresses on the stability of mine openings and included laboratory investigations, computer modeling, and on site investigations in operating mines. Laboratory efforts have been directed toward new technologies for evaluating and predicting rock behavior in the conditions associated with deep underground mines. New technologies to stabilize the rock such as the flexible tendon (cemented cable) support concept have been evaluated in the laboratory. Other laboratory investigations were directed toward technologies useful for evaluating and predicting the response characteristics of rock to the stress fields around openings in underground mines. This work resulted in new instrumentation technology which was used to monitor the behavior of the rock during the sinking of shafts at two mines.

  Laboratory and computer studies to simulate rock behavior and backfilling concepts were undertaken to devise technologies required to maximize recovery from underground mining operations. As part of the investigation of fundamental concepts that affect rock behavior, efforts were undertaken to incorporate the theory of microfracture into current rock mechanics theory and to ascertain its impact on mine opening stability.

  Proposed Work in FY 1987: Investigation of technological advances needed to maximize resource recovery from domestic mineral deposits and the economic recovery of lower grade ore or those ores located in deeper deposits will continue. Emphasis will be placed on understanding the behavior of rock during mining operations such that minerals normally left in massive support structures can be recovered. Use of waste materials as backfill for support and the flexible tendon (cemented cable) ground stabilization concept will be investigated as methods to achieve maximum extraction. Computer modeling, laboratory investigations and field studies where appropriate, will be included.

- Solution Mining

Progress in FY 1986 and Prior Years: Solution mining research concentrates on in situ mining techniques to recover low grade or small mineral deposits. It currently addresses fluid flow in rock and injecting and recovering leach solutions during in situ mining. Figure 1 illustrates the in situ mining process.

Both laboratory and field investigations have been conducted to evaluate the flow and control of the leach solution in mineral deposits to determine the costs of recovering various strategic and critical minerals, using in situ methods. A new concept for well construction called branch well (enables more mineral recovery from one well) was developed to reduce costs of in situ mining while improving recovery. An inflatable packer well integrity testing system (detects leaks in wells) to evaluate wells and ensure that in situ mining can be accomplished in an economically and environmentally sound manner was evaluated and found to be effective. Patents are pending on these two developments. A design/engineering effort for an in situ copper mining pilot demonstration at a site in the Southwest was requested by Congress in FY 1986 and was initiated by the Bureau.

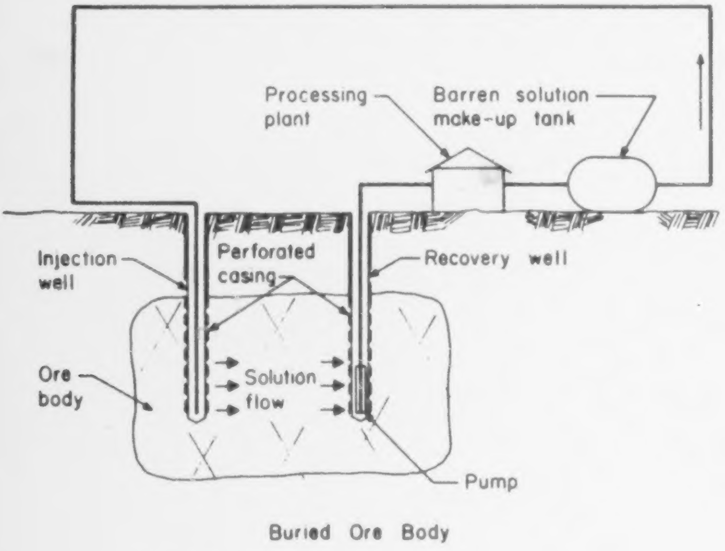

Figure 1. In Situ Mining System.

Proposed Work in FY 1987: Prior efforts indicated that major gaps remain in our understanding of the fluid flow within rock and interactions between leach solutions and the minerals contained in the deposit. Therefore, laboratory investigations will concentrate on fluid movement in rock. Rock texture, porosity, fluid transport, stratification, adsorption capacity, structure (jointing), permeability, composition, and mineralogy, will be investigated to determine their impact on in situ fluid flow through rock and on minerals recovery.

- Geotechnical Factors.

Progress in FY 1986 and Prior Years: This research undertakes fundamental investigations to increase the understanding of the behavior of rock under stress as it affects mine design. Information on rock properties and stress is needed to efficiently mine mineral resources.

Research was initiated to determine the fundamental relationships between the physical and mechanical properties of rock and the stress in the rock by correlating those properties with changes in rock acoustic properties. Wave velocities and other acoustic parameters were measured and are being correlated to different stress conditions.

Proposed Work in FY 1987: Laboratory investigations of the acoustical determination of rock properties initiated in FY 1986 will be continued. Results of investigations will be used to establish a theoretical model relating acoustical wave velocities with the in situ conditions of the rock before mining. An experimental design will be established to verify the model during field tests in deep mines.

- Fragmentation

Progress in FY 1986 and Prior Years: This research provides a scientific basis for development of improved cutting and fragmentation methods to increase mining efficiency. An important secondary goal is to minimize the consumption of strategic and critical materials in cutting tools during operations such as drilling.

Fragmentation methods under investigation included linear drag-bit cutting, thermal fragmentation and improved blasting technology. A laboratory cutter was used to establish linear drag-bit cutting parameters and to determine energy input requirements. In FY 1985 an experimental design was established and a test frame was constructed to determine how cracks caused by cutting bits start and grow. Major improvements were made in water jet cutting resulting in two patent applications being filed on significant Bureau-developed technology. Laboratory investigation of drilling indicated significant reductions in wear of drill bits and concurrent increase in penetration rates can be achieved by increasing efficiency of the drilling process.

In FY 1986 investigations of fragmentation technologies applicable to future mining of minerals in the Exclusive Economic Zone (EEZ) were undertaken. Emphasis of this initial work was on investigating the fracture behavior and physical characteristics of mineral and rock samples from the EEZ

Proposed Work in FY 1987: The fundamental investigation of fragmentation techniques will be continued. Research will be conducted to determine the mechanics of fragmentation that lead to improved bit-life; to establish a useful model that will permit prediction of both bit-life and cutting efficiency under actual applications; to advance water jet cutting technology and thermal fragmentation concepts to provide more efficient rock cutting methods; to investigate relationships between cutter bits and crack initiation; and to develop theories which describe fragmentation mechanisms that can be applied to improve rock cutting efficiency. In cooperation with the U.S. Geological Survey, the Bureau will acquire crust seabed samples for use in engineering property tests as well as fragmentation studies.

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Program Decrease:

Advanced Mining Technology

Metal/Nonmetal Mining Technology

FY 1987 Decrease: $-977,000
-2 FTE-T

The initial phase of a design and engineering effort for an in situ copper mining pilot demonstration will be completed in FY 1986. Since demonstration efforts are best undertaken by the private sector, the Bureau is concentrating on providing industry with information on the feasibility of such an in situ operation. On completion of the Bureau's efforts, the private sector can move forward with the demonstration project. The request for Metal/Nonmetal Mining Technology funding was reduced to reflect the completion of the government's responsibility in this demonstration effort.

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Coal Mining Technology

FY 1986 Adj. Approp.: $4,668,000
FY 1987 Estimate: $3,895,000

Overview: This research program focuses on mining technologies for coal seams that are difficult to mine such as multiple seams in the East and thick seams in the West. Investigations also include studies on the effects of water jets on the mechanical cutting process and studies on the application of automation technology to underground coal mining operations. Work on automation will include initial studies on the application of artificial intelligence especially as a management decision tool at the mining face and on the application of robotics technology to mining. This technology is seen as the ultimate solution for optimal productivity and health and safety. This work will be integrated with studies on geomechanics and cutting technology to form an "intelligent" mining system that can provide the basis for the next generation of underground coal mining technology.

Problem: Over one half of U.S. coal reserves are found in formations that are difficult to mine, such as in multiple coal seam deposits. This has meant that in many cases over 50 percent of the coal has not been recovered, but instead is left underground in a condition that renders the resource unminable with current technology. The domestic coal industry is also facing strong competition from foreign sources. To offset this competition and to promote a stable energy supply for our country, technology in the area of automation and robotics should be investigated for the coal mining industry. [illegible], automation and robotics can not only increase productivity at the coal face but can remove miners from hazardous conditions. As a secondary benefit these new technologies will provide for the acceleration of large amounts of data and information into the decision making process that is needed to mine multiple seams efficiently.

Program:

- Geomechanics

  Progress in FY 1986 and Prior Years: Geomechanical research seeks to improve and provide fundamental knowledge of the various forces that act on coal pillars and artificial supports as coal is extracted underground. An understanding of these forces will provide the basis for optimizing support selection and, more importantly, will lay the foundation for advanced mine design and mining systems design in the future. Work in this has concentrated on longwall mining. Achievements include a determination of the factors that the longwall ground support mechanism [illegible] should [illegible]. This has led equipment manufacturers to [illegible] at a lower cost. Achievements also include [illegible] of a multiple pass longwalling technique that is the first of its kind in the U.S. and has allowed the extraction of coal under [illegible] as well as [illegible].

  Proposed Work in FY 1987: Basic investigations will continue on the geomechanics associated with multiple coal seams in the East and thick coal seams in the West. Actual tasks include underground field measurements, testing physical properties of samples obtained by surface drilling, measurements of the forces on longwall support members and analysis of the data. The analysis will include modeling techniques to better understand the geomechanical forces and to form the basis of computer aided design of mines and mining techniques.

- Automation and Robotics

  Progress in FY 1986 and Prior Years: Research has been initiated to define the sensor technology that will be needed to support advancements in automation and robotics in the underground coal mining environment. Cooperation with [illegible] began in FY 1986 with West Virginia and Carnegie Mellon universities, to study the application of computer based expert systems to aid mine management in decision making and automation to increase the efficiency of the underground coal mining process. In FY 1986 a new computer program that can provide on board diagnostics for mining systems will be adapted for use in the mine expert systems research effort.

Proposed Work in FY 1987: Research will continue on sensor technology and the application of automation and artificial intelligence. Utilizing the initial results of previous sensor technology investigations, research on concepts for improved continuous extraction systems will be initiated.

o Innovative Mining Systems*

Progress in FY 1985 and Prior Years: Research on incremental improvements to existing technology was being conducted by the Department of Energy, prior to the Coal Mining Technology program being returned to the Bureau in 1982. A total of 258 contracts that generally involved the development of mining systems were transferred back to the Bureau. Achievements include the development of a multiple unit conveyor haulage system that received a 1984 Industrial Research 100 award and the development of an innovative cutting concept that utilizes water jets to enhance the mechanical cutting process. By the end of FY 1985 only 17 contracts required additional work. In FY 1986 the Bureau will complete surface proof-of-concept validation of selected underground coal mining technology.

Proposed work in FY 1987: Research will continue on water jet systems with the field testing of the water jet concept in an underground longwall coal mine. Investigations will also include studies of a phasing system to better utilize the water jet enhancement.

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Program Decrease:

Advanced Mining Technology

Coal Mining Technology

FY 1987 Decrease: $-875,000
-14 FTE-T

Surface proof-of-concept validation of selected underground coal mining technology will be completed in FY 1986 and the technology transferred to industry. No additional Federal involvement is warranted in the validation process. Any further development or adaptation of the select coal mining technology to specific mining sites should be carried out by the private sector. The decrease for Coal Mining Technology funding reflects the completion of the Federal role in validation.

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* Formerly called Underground Mining Systems and Coal Cutting. These were renamed to reflect more accurately the nature of the research and to improve program management.

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RESOURCE CONSERVATION TECHNOLOGY

Authorization: 30 U.S.C. 1-11

Objectives:

- o Establish methods for controlling, treating, and disposing of a variety of mine waste materials in an economically and environmentally acceptable manner.
- o Provide means for predicting surface subsidence so as to maximize coal and mineral recovery while conserving surface land values.

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Controlling Mine Waste

FY 1986 Adj. Approp.: $1,552,000
FY 1987 Estimate: $629,000

Overview: The Bureau's research program in this area emphasizes engineering and evaluation studies aimed at delineating the factors that cause or contribute to mine waste disposal problems, and methods of controlling, treating, utilizing, or otherwise disposing of various waste materials. Bureau research on mine wastes is guided by advice from other Government agencies and the mining industry. Under memoranda of understanding with the U.S. Geological Survey (USGS) and the Office of Surface Mining Reclamation and Enforcement (OSM), mechanisms for review and coordination of projects are provided and undesirable duplication of research is avoided.

Problem: The degradation of the surface water and groundwater quality, the physical loss of water supplies, and the surface disposal of solid wastes are widespread problems associated with mining and result in the loss of mineral production and property values. Improper disposal of untreated mine drainage and seepage may result in pollution and degradation of groundwater quality. The most significant water pollutant is acid mine drainage water (AMD), and despite recent unique contributions from research, there is as yet no complete solution for this problem. Oxidation of the exposed surfaces of sulfide minerals associated with a mineral deposit or its host rock is the initial step in the formation of AMD. Although it is primarily a coal-related problem, AMD ca. exist whenever sulfide minerals, particularly iron sulfides, are present. New mining methods such as in situ leaching also pose potential groundwater problems that require research.

Mining waste, an unavoidable by-product of the mining industry, totals approximately 2.3 billion tons annually. Although solid wastes are common to all mining and milling operations, the technology for handling and disposing of them varies with the specific characteristics of the waste. In some cases mine wastes may be subject to classification as hazardous waste materials under

Environmental Protection Agency rules, requiring additional precautions in storing and disposing of such materials. Post mining land use can be adversely affected unless mine waste and mill tailings are handled and disposed of in an effective and efficient manner.

There are approximately 500 fires burning in abandoned coal mines and waste dumps, many of which have been burning for several years. Such fires present a threat to land values and in some cases are an immediate hazard to both life and property. New technology is needed to control these hazards as conventional fire fighting technology is not effective. Research is conducted to provide OSM with technical support in addressing problems associated with abandoned coal mine and coal waste fires.

Program:

- Acid Mine Drainage

  Progress in FY 1986 and Prior Years: Investigations, including field tests, continued on the use of slow-release bactericides as a means to control AMD. A pilot-scale test of a sphagnum moss/limestone system for treating low flows of acid drainage was successfully completed, yielding a practical, low-cost method that is ready for industrial adoption in appropriate circumstances. Baseline data were collected in support of the development of an empirical method to predict AMD potential. The role of oxygen in limiting acid production in coal refuse and overburden spoil piles was investigated to improve reclamation practices. Investigations were conducted on the mechanics, mechanisms and parameters controlling the effectiveness of in-line aeration to control AMD.

  Proposed Work in FY 1987: The investigation of technologies to control acid drainage from coal mines and coal waste disposal sites will continue. Research will include on site field evaluations of control technologies in order to encourage more rapid implementation by the mining industry. Emphasis will be on the optimization and expansion of the In-Line Aeration and Treatment System (ILS) which has potentially broad application and offers significant savings compared to current practice. The AMD research will address both acidic and heavy metal drainage from metal mines, with the objective of establishing technologies required to reduce and control the potential adverse environmental impacts of metal mine drainage on water quality. Special emphasis will be placed on technologies to predict and control the formation of acidic waters from abandoned coal mine lands. These efforts will be coordinated with the Office of Surface Mining Reclamation and Enforcement (OSM).

- Solid Wastes

  Progress in FY 1986 and Prior Years: Fundamental investigations were conducted to determine the physical properties of mine waste materials and to gain a better understanding of their behavior and performance in mine waste embankment structures. New techniques to determine the geotechnical parameters of tailings materials and to characterize tailings particle mechanics as they relate to the stability of embankment structures were continued. Efforts were continued on the controlled burnout project at Albright, West Virginia, to demonstrate and evaluate technologies to minimize the adverse impact of fires in abandoned underground coal mines or coal waste piles. The controlled burnout technique is conceptualized in figure 2. Evaluation efforts to minimize the adverse impacts of fires in abandoned underground coal mines were also conducted in cooperation with OSM at Renton, Pennsylvania and with the Commonwealth of Pennsylvania for a site at Large, Pennsylvania.

Proposed Work in FY 1987: Research efforts will be directed toward investigating technologies to control, treat, utilize or otherwise dispose of mine waste materials. Emphasis will be on controlling or containing solid mine waste in order to minimize potential environmental impacts. Research will address technologies to allow active and abandoned mine waste sites to better comply with the environmental requirements of the Resource Conservation and Recovery Act (RCRA) and to reduce the potential environmental impacts from mine waste. Appropriate technical support, assistance and coordination will be provided to OSM, EPA and state agencies.

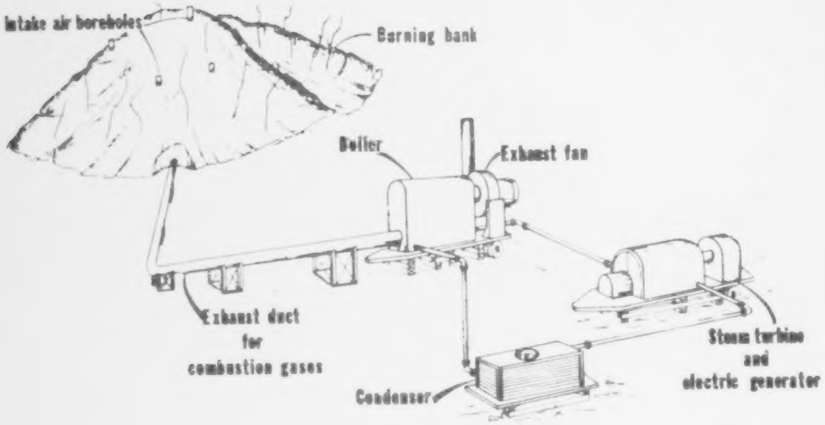
Intake air boreholes
Burning bank
Boiler
Exhaust fan
Exhaust duct for combustion gases
Steam turbine and electric generator
Condenser

Figure 2. Controlled burnout of coal waste fires is a proposed method of reducing the adverse environmental impacts from waste bank fires. By directing a specific volume of fresh air into the waste bank, it appears possible to control the rate of burn and to recover generated heat for alternate uses, such as steam production as shown above.

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Program Decrease:

Resource Conservation Technology

Controlling Mine Wastes

FY 1987 Decrease: $-990,000
-4 FTE-T

Accelerated research on acid mine drainage in the areas of water treatment systems and methods to prevent the formation of acid water will be completed in FY 1986. These accelerated efforts concentrated on fundamental investigations of the controlling mechanisms for in-line water treatment systems and technologies to address controlling of heavy metal runoff. The results of these research efforts will resolve industry concerns on control techniques, enabling them to more effectively utilize this technology in the future. Additional accelerated research in acid mine drainage is not necessary at this time, resulting in the reduced funding requested.

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Conserving Land Resources

FY 1986 Adj. Approp.:	$1,357,000
FY 1987 Estimate:	$926,000

Overview: The goal of this program is to provide technology to preserve the quality of mined land areas while allowing maximum extraction of the Nation's mineral resources. To date, a viable methodology for predicting and/or mitigating surface subsidence over mined out areas does not exist in this country. The focus of this program is to provide this forecasting technology by the development of mathematical models. These models can then be used by the mining industry to develop proper mine plans. They will also aid other agencies such as those involved with land use planning.

Problem: Research on conserving land resources is focused on the problems associated with mine subsidence such as damage to commercial and residential buildings, drainage systems, dams, bridges and other man-made structures. The emphasis is on developing technology to forecast the location, magnitude and areal extent of subsidence, and the nature and extent of its damaging results. Figure 3 shows parameters that influence post mining subsidence. Since subsidence forecasting is area specific, primary study areas will be those that are currently experiencing the most problems, i.e., the Appalachian and Illinois Coal Basins.

Program:

- o Subsidence

  Progress in FY 1986 and Prior Years: Research initially involved delineation of the problem on a national basis. Subsequent investigations showed that the areas with the greatest immediate damage potential are in the Appalachian and the Illinois Coal Basins. Recent investigations have concentrated on these areas.

In FY 1986 the first usable model for forecasting vertical surface displacement ("S" in figure 3) in the Northern Appalachian region is being completed -- including verification at a field test site. Investigations into the applicability of the model to southern West Virginia, Virginia and Alabama were initiated.

Proposed Work in FY 1987: Research into subsidence phenomena will continue with further verification of the vertical displacement models in West Virginia and Pennsylvania. An initial model for vertical displacement in the Illinois Basin will be completed. Investigations will also examine horizontal displacement and possible modeling techniques to predict movement in this direction.

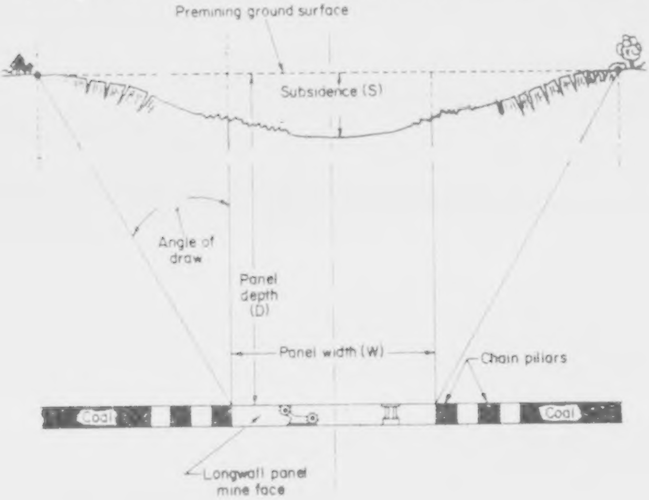
Premining ground surface
Subsidence (S)
Angle of draw
Panel depth (D)
Panel width (W)
Chain pillars
Coal
Coal
Longwall panel mine face

Figure 3. Parameters Influencing Subsidence.

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Program Decrease

Resource Conservation Technology

Conserving Land Resources

FY 1987 Decrease: $-490,000
-2 FTE-T

Fundamental information needed to adapt the recently developed Northern Appalachian subsidence prediction model to other coal fields will be developed in FY 1986 and transferred to the private sector for adaptation to their local site specific conditions. The reduction in this program reflects completion of these efforts.

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SUBACTIVITY DECREASE FOR FY 1987

The decreases for Mining Technology are in two programs and four program elements:

(Dollar Amounts in Thousands)

		FY 1987 Base	FY 1987 Estimate	Decrease
Advanced Mining Technology				
Metal/Nonmetal Mining Technology	$ (FTE-T)	5,271 (48)	4,294 (46)	-977 (-2)
Coal Mining Technology	$ (FTE-T)	4,870 (59)	3,895 (45)	-975 (-14)
Resource Conservation Technology				
Controlling Mine Waste	$ (FTE-T)	1,619 (13)	629 (9)	-990 (-4)
Conserving Land Resources	$ (FTE-T)	1,416 (9)	926 (7)	-490 (-2)

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the $3,432,000 decrease for the Mining Technology subactivity is as follows:

	FTE-T	Amount
Personnel compensation	22	$912,000
Personnel benefits		128,000
Other services		2,392,000
Total		$3,432,000

Justification of Program and Performance

Activity: Minerals Research
Subactivity: Minerals and Materials Research

(Dollar Amounts in Thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Extractive Metallurgy	$	17,284	16,548	17,284	13,956	-3,328
Technology	(FTE-T)	(309)	(303)	(303)	(278)	(-25)
Mineral Resources	$	7,738	7,408	7,738	5,049	-2,689
Minerals Technology	$	9,546	9,140	9,546	8,907	- 639
Materials & Recycling	$	15,231	14,583	15,231	11,359	-3,872
Technology	(FTE-T)	(287)	(282)	(282)	(261)	(-21)
Materials	$	7,875	7,540	7,875	5,281	-2,594
Recycling	$	7,356	7,043	7,356	6,078	-1,278
Total Requirements	$	32,515	31,131	32,515	25,315	-7,200
	(FTE-T)	(596)	(585)	(585)	(539)	(-46)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Minerals and Materials Research $	32,515	-1,384	31,131

As a result of the $1,384,000 P.L. 99-177 reduction, research in all program areas will be stretched out, resulting in delays in obtaining research results. The reductions will primarily affect inhouse research, thereby resulting in some delays in acquiring equipment, supplies and materials. Where possible, anticipated program efforts will be delayed rather than cancelled, although some lesser priority efforts may be eliminated. Funding to support efforts at the Idaho National Engineering Laboratory will be reduced by the same percentage applicable to the total program. Funding of other efforts added by the Congress for additional minerals and materials research will be reduced by the same percentage.

SUBACTIVITY OVERVIEW

The Minerals and Materials Research program responds to the mandate most recently reflected in the National Materials and Minerals Policy, Research and Development Act of 1980 (P.L. 96-479). Fundamental scientific investigations are conducted to advance technological developments to insure an adequate and dependable supply of strategic and critical minerals fundamental to the Nation's security and to its economic well-being. Our dependence on imported minerals continues to grow, partly because of growing consumption and partly because of increased competition from abroad. This situation is worsened because advances in technology have not kept pace with the need to produce minerals from domestic resources of lower grade than those that are being produced abroad. This country's continuing reliance on potentially unstable foreign sources for strategic and critical minerals has been and continues to be a national security concern.

A recent Office of Technology Assessment report entitled "Strategic Materials: Technologies to Reduce U.S. Import Vulnerability" reaffirmed the Bureau's concern over the U.S. strategic and critical minerals import dependency. It stated, "Dependence of the United States on a few nations of uncertain reliability for materials that are essential to many industrial and defense uses has heightened concern over materials and minerals policy in recent years." One of the two important approaches, discussed in the report, for reducing materials import vulnerability focuses on technological advances. The report emphasized that, "Through a combination of technical advances in mineral production, conservation, and materials substitution, the requirements for imported strategic materials can be lessened and the reliability of supplies can be increased." These areas of emphasis are, in fact, the essence of the Minerals and Materials Research program. The report further stressed, "Implementation of any technical approach to reduce import vulnerability will assume a continuing R&D effort, most of which will need Government support." Thus, it is imperative that the Bureau's technological advancements continue in extractive metallurgy technology and materials and recycling technology in order to help lessen the U.S. susceptibility to disruption of vital supplies of strategic and critical minerals.

Reducing the Nation's dependence on foreign sources for strategic and critical mineral supplies continues to be an important criterion for allocating resources to the Minerals and Materials Research Program. Four principal research goals address the national mineral supply issues:

(1) Devise new and innovative extractive metallurgy methods for treating domestic low-grade and complex resources. Here, the Bureau's metallurgical research is on the cutting edge of technology, employing ultra-high temperatures and pressures, high-frequency electromagnetic waves (microwaves), and sound waves to improve mineral-extraction efficiencies and mineral processing techniques. These areas, coupled with recent advances in surface science, should result in improvements in productivity with lower energy requirements and in environmentally-sound processing operations.

(2) Seek alternative domestic minerals to lessen dependence on foreign sources. One example: ocean minerals have been the focus of considerable attention as an alternative source for manganese, cobalt, and copper. The Bureau of Mines, through Minerals and Materials Research, in close cooperation with the United States Geological Survey, the Minerals Management Service, and various state agencies, is serving as the focal point in addressing the technological issues associated with processing these ocean minerals.

(3) Advance materials technology so that domestically-produced materials can be used as substitutes for alloys and ceramics that require imported critical materials, and develop the fundamental scientific and materials information needed to improve the operating performance and service life of those materials

where there are no known domestic substitutes. Substitutes for materials made from chromium, cobalt, nickel, manganese, and platinum are emphasized, particularly for applications where corrosion and wear are severe problems in the mining and mineral processing industries. New coating, joining, and surface treatment technologies are important aspects of materials research.

(4) Develop new technologies to conserve limited domestic resources through recycling. As the foremost Federal agency conducting recycling research, the Bureau's efforts are directed toward recovery and reuse of minerals and metals contained in a variety of scrap and wastes. Because the research capabilities of most companies engaged in recycling are limited or nonexistent, Minerals and Materials Research, in cooperation with the National Association of Recycling Industries, the Institute of Scrap Iron and Steel, and other organizations, has a key role in providing technology for expanding the resource base afforded by scrap and waste materials.

More than half of the research conducted by Minerals and Materials Research is of a basic or fundamental nature. Emphasis is on long-range objectives. In many instances, the information resulting from successful projects goes into the minerals technology base, to be drawn upon as needed by industry.

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EXTRACTIVE METALLURGY TECHNOLOGY

Authorization: 30 U.S.C. 1-11

Objectives:

- Characterize low-grade or unconventional domestic resources not now processed for their mineral content, and find ways to exploit them as a means of contributing to greater U.S. minerals self-sufficiency.
- Provide the essential information on minerals processing to support mineral industries' efforts to improve productivity, increase energy efficiency, and operate in environmentally sound ways.

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Mineral Resources

FY 1986 Adj. Approp.: $7,408,000
FY 1987 Estimate: $5,049,000

Overview: The processing of many domestic mineral resources essential to our industrial base or vital to national security is not economic with present technologies. In the past, these minerals have been produced domestically; but now, many U.S. deposits are either lower grade, more metallurgically complex, or more expensive to process than those of our competitors. Moreover, worldwide political uncertainties threaten to disrupt our supplies of several strategic and critical minerals.

A long-term strategy for dealing with our minerals production situation is to seek further technological advances in conservation and mineral substitution, and to develop standby technology for use in providing essential minerals in the event of a major protracted supply disruption.

The Mineral Resources element has two principal sub-elements: Special Use Metals and Minerals Characterization, each of which constitute about 40 percent of the extractive metallurgy research. The Special Use Metals include cobalt. chromium, and manganese, and two important in electronics: gallium and germanium.

Minerals Characterization will focus on resources from Alaska and from the ocean floor near the Hawaiian Archipelago, and also will undertake an evaluation of the status of processing technology for domestic cobalt resources. Also included is a Mineral Water Use component. This is a new area for FY 1987, and involves research into impurity control in dilute aqueous solutions and in water used for minerals production facilities.

Problem: New technology is needed that will encourage domestic production of strategic and critical minerals not now being produced in the United States and will maintain existing domestic production capability for strategic and critical minerals and other essential minerals. It will provide a capability to respond to prolonged supply disruptions.

Related Bureau of Mines Activities: Alaska's mineral resources will continue to be characterized through mineralogical and metallurgical evaluations. Field samples are collected by the Bureau's Alaska Field Operations Center or contributed by the State of Alaska and private industry. Laboratory-scale tests are performed to evaluate the potential for recovery using the most advanced techniques.

Program:

- Special Use Metals

Progress in FY 1986 and Prior Years: In-plant testing by industry of Bureau technology on cobalt recovery as a byproduct from Missouri lead ores was conducted at a cooperating lead mill. In another study, fundamental research on the disposition of metals in complex sulfide ores and their form in resultant leach solutions has shown sufficient progress to warrant further investigation. A Bureau process for leaching Western open pit metal mining waste products yielded cobalt in sufficient quantity that commercial recovery may be feasible.

Contract research at the Idaho National Engineering Laboratory yielded data on the fundamental aspects of plasma reduction of metal ores and on the bacterial leaching of low-grade resources.

Chromium-related investigations yielded a new method to produce chromium chemicals from chromite. The method, using fusion with sodium hydroxide, was demonstrated successfully using chromites from northwestern U.S. deposits and chromite-bearing residues from nickel laterite processing. An investigation involving carbonyl formation to recover chromium from domestic deposits was completed and the results were disseminated to industry. A chromium workshop was held in June 1985 to present the findings of Bureau research, and to obtain input from the private sector on research needs. Based on this, greater emphasis was given to minerals characterization and metallurgical testing of chromite-bearing raw materials as a means of identifying candidate resources for future work on recovery techniques.

Column flotation using microbubbles is a new technology that offers promise of significant improvement in flotation of various low-grade ores. For example, testing of this technique on California and Nevada manganese resources yielded richer concentrates than were obtained in comparative tests using current industry flotation practice.

In work on germanium and gallium, characterization studies of a large southern Utah deposit were completed. Bench-scale volatization and hydrometallurgy studies were promising and the technology is being evaluated in larger scale tests to obtain engineering data of potential use to industry.

Proposed Work in FY 1987: Research will be expanded on the recovery of byproduct cobalt from Missouri lead ores to gather engineering data needed to complete evaluation of the Bureau's technology for application on a commercial scale. Final selection of flotation methods will be completed via an evaluation of column flotation compared to conventional practice, and options for processing the resulting cobalt-bearing concentrate will be assessed. Techniques for cobalt recovery from complex sulfide ores and from mine waste materials will be refined and tested at a laboratory scale.

Column flotation tests on manganese ores will be completed, and the work will be extended to low-grade, strategic mineral resources from Alaska. Larger scale research on germanium and gallium recovery technology will be conducted to obtain engineering data.

o Light Metals

Progress in FY 1986 and Prior Years: A Bureau-industry cooperative alumina miniplant project sought alternative technology that could use domestic aluminum-bearing resources to supply the Nation's aluminum needs in the event of a disruption in imported bauxite supplies. Large-scale R&D, coupled with economic evaluations, identified a clay-hydrochloric acid (HCl) leaching process as having the greatest potential as a substitute for the Bayer-bauxite process now used. That effort ended in 1982, and subsequent research was directed to third-generation improvements to the clay-HCl technology to improve the economics. Two acid leaching methods were shown to be promising in that either can be used in the clay-HCl process.

Also, research was focused on carbochlorination of domestic clay as a method for providing feedstock for an aluminum chloride smelting process that is reported to offer a 30-percent energy saving over the conventional Hall-Heroult process for making aluminum metal. In addition to providing vitally needed basic information about the mechanisms and kinetics of the carbochlorination technique, new and important results on the separation of pure anhydrous aluminum chloride from the crude, mixed chloride product were obtained. Other aluminum research was conducted on the control of organic impurities in Bayer process liquor. This represents a significant industrial problem, and its solution could lead to substantial economies in the present Bayer technology. Research on a novel sulfuric acid leaching process for recovering alumina and potash from abundant Utah alunite was concluded successfully, and the results were published for dissemination to the private sector.

Titanium research has focused on the processing of domestically abundant titanium raw materials as substitutes for imported rutile.

Proposed Work in FY 1987: In aluminum-related research, the technology for controlling organic impurities in Bayer process liquor will be optimized and process design parameters determined.

Titanium recovery research will continue with emphasis on minimizing the contamination that occurs during processing. Also, efforts will be directed toward the recovery of valuable byproducts such as columbium.

c. Minerals Characterization

Progress in FY 1986 and Prior Years: In work on Alaskan resources, sampling, characterization, and beneficiation tests for cobalt, chromium, and platinum-group metals from southern and central portions of the state were completed. Several chromium deposits were evaluated that offer promise of being amenable to present recovery techniques. In another phase of this study, occurrences of strategic metals such as tantalum, columbium, and gallium were evaluated for recovery potential.

Research also was initiated to help assess the resource potential of ocean floor minerals within the U.S. Exclusive Economic Zone (EEZ). Materials containing cobalt, manganese, zinc, copper, silver, and possibly others important to the Nation's economy are known to occur in the EEZ. However, quantitative data on the extent of these resources are unavailable. Efforts were begun to characterize the properties of selected seabed minerals provided by the USGS and the Hawaii Institute of Geophysics, and to test methods to separate and recover the contained mineral values.

Proposed Work in FY 1987: Processing methods will be selected for mineral recovery from deposits in Alaska and the EEZ, both areas that are emphasized in the Bureau's Project 2000 strategic plan. Specifically, bulk samples from Alaskan deposits containing cobalt, platinum-group metals, chromium, columbium, and tantalum will be examined, mineralogically and chemically, followed by metallurgical testing to determine the potential for preparing mineral concentrates for subsequent metal recovery. An assessment of technology for cobalt recovery from domestic deposits will be undertaken as the first step in defining the status of recovery technology for especially important imported minerals. These assessments will define the additional testing needed to obtain the required engineering data.

In cooperation with the USGS, the Minerals Management Service, and the State of Hawaii, processing methods for cobalt and manganese from the EEZ off the Hawaiian Archipelago will be evaluated.

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Minerals Technology

FY 1986 Adj. Approp.: $8,141,000
FY 1987 Estimate: 10,907,000

Overview: New technology depends upon new ideas and information. Metallurgists, chemical engineers, and other scientists require reliable minerals data to sustain technological development. Minerals Technology research is aimed at providing a clear, fundamental understanding of how minerals respond to temperature, pressure, chemical reagents, and electrical and magnetic fields. Such research has substantial long-term benefits in characterizing mineral systems, evaluating the unit operations associated with processing technology as shown in Figure 1 on the following page, and improving separation schemes to increase efficiency, reduce energy and processing costs, and reduce adverse environmental effects.

Problem: Raw material processing depends on the ability to separate mineral components from waste material and from each other, and to concentrate them into a product of sufficient grade and purity for further treatment. If the mineral values exist as discrete phases in an ore, the ore can be crushed and ground to liberate the individual phases, followed by the application of physical separation techniques to segregate the particles. In the most common of these techniques, nearly half a billion tons of domestic ores are upgraded annually by flotation to produce over 50 million tons of mineral concentrates. This requires almost 1.7 billion pounds of chemical reagents, worth over $500 million. However, lack of selectivity in existing operations results in the loss of significant quantities of valuable minerals. For example, if only a 2 percent improvement in the recovery of copper could be realized, industry revenues would increase by about $28 million per year. Improvements in existing technology and the development of new technology, depend on a detailed knowledge of the basic mineral properties and how these properties influence mineral response to temperature, pressure, chemical reagents, and electrical and magnetic fields.

Relevant Scope of Other Activities: A portion of the research conducted by the Mineral Institute Generic Technology Centers complements the research conducted in the Minerals Technology element. Research in pyrometallurgy and comminution conducted by the centers at the University of Missouri-Rolla and the University of Utah, respectively, and their affiliated universities is monitored by Minerals and Materials Research personnel to ensure that the research effectively complements current Bureau work.

Program:

a. Fundamental Mineral Properties

Progress in FY 1986 and Prior Years: Chemical activity, as measured by surface chemical properties and thermodynamic quantities is the basis of most separation and concentration methods used in mineral processing.

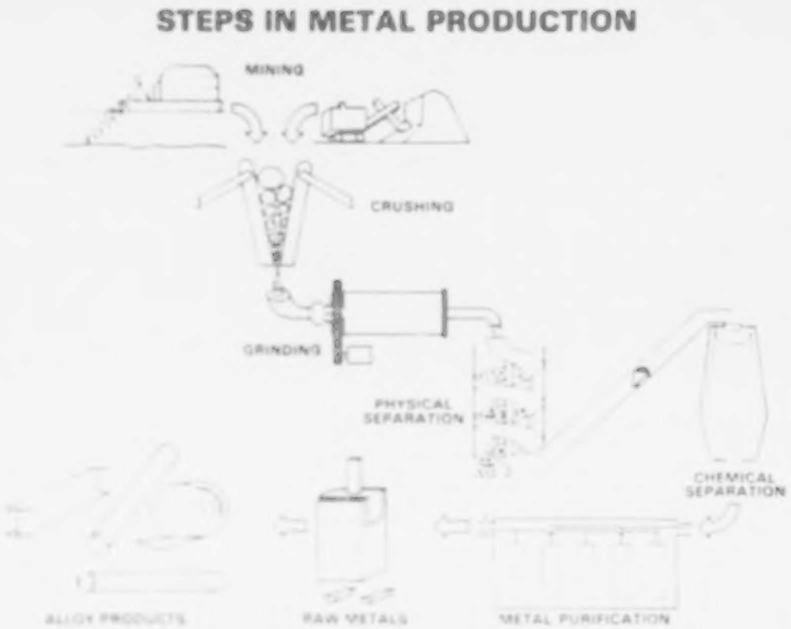
STEPS IN METAL PRODUCTION
MINING
CRUSHING
GRINDING
PHYSICAL SEPARATION
CHEMICAL SEPARATION
ALLOY PRODUCTS
RAW METALS
METAL PURIFICATION

Figure 1

Research to better understand these factors showed that control of electrochemical potential should enable more effective separation of minerals during flotation. Subsequent work in which the electrochemical reactions which occur during flotation were correlated with direct identification of compounds on the surface of the minerals in a flotation cell resulted in a major breakthrough in understanding the causes of poor selectivity in froth flotation. These results were disseminated to the private sector through journal articles, Bureau publications, and presentations.

Thermodynamic data are developed to aid in assessing the feasibility of metallurgical processes without recourse to costly and time-consuming experimentation. Measurements, evaluation, and compilation of thermochemical properties of substances involved in the metallurgy of strategic and critical minerals resulted in the completion of two Bulletins, "Thermodynamic Properties of Halides," and "Thermodynamic Data for Minerals Technology." These Bulletins, together with their companion report, "Thermodynamic Properties of Elements and Oxides," serve the minerals industry and academia as important reference works, helping to speed the development of new and more efficient mineral processing technology.

In related work, measurements were made to determine high-temperature phase equilibria in systems containing aluminum, carbon, and other elements, such as silicon and iron, typically found in lower grade, aluminum-bearing materials. Reliable data are lacking for these systems, which are important to studies on the smelting of aluminous materials with carbon. This method is an attractive alternative to the standard Bayer-Hall process for producing aluminum, but vaporization of intermediate products and aluminum at high temperature has, so far, prevented commercial use.

Proposed Work in FY 1987: Surface and electrochemical studies will be extended to mixtures of minerals found in typical domestic ores in an attempt to determine how two or more minerals interact to produce the surface chemical species that govern flotation response during separation. This important surface chemistry research is the basis for the improved ore concentration techniques discussed in the following component. Also, chemical activity of selected metals at elevated temperatures will be determined by measurement of the appropriate thermodynamic parameters.

Ore Concentration

Progress in FY 1986 and Prior Years: Fundamental surface chemical data indicating that the electrochemical potential of a mineral surface could determine the mineral's flotation response was used as the basis for applied studies. Other research showed that excluding oxygen from the flotation cell led to success in controlling sulfide mineral flotation on a large laboratory scale. These findings are being verified on a commercial scale through a cooperative effort with a domestic copper producer.

In related research, bench-scale investigations on methods for recovering fluorite and byproducts such as beryllium, mica, and zinc from domestic fluorite resources were completed and the results were published. Domestic production of fluorite is small, but low-grade Nevada deposits may be mined if byproduct recovery can be improved, especially for beryllium. Also, research on beneficiation techniques for the recovery of phosphate from dolomitic ore from Florida and from calcite-bearing North Carolina ore was completed and published. Phosphate producers currently bypass high-magnesia ores while mining in Florida and discard oversized ore containing phosphate values in North Carolina. These Bureau phosphate research efforts provide methods for recovering additional mineral values at small marginal cost, thereby conserving a valuable resource.

Research was initiated on a novel concept involving the physical interaction of mineral particles with sound waves. Calculations show that a sound wave exerts pressure on a particle in proportion to its size and weight, indicating that mineral separations could be accomplished with sound waves.

Research also was begun to study the effect of microwave energy on ore minerals. Although results were inconclusive, tests showed that it may be possible to enhance the chemical reactivity of certain minerals by microwave heating. Research also showed that short, high-energy microwave pulses could increase temperature differentials of two minerals in contact, depending on the relative chemical properties of the minerals.

Proposed Work in FY 1987: The knowledge gained from earlier studies on flotation response as a function of electrochemical potential will be applied to obtain engineering data for industrial-scale application. Tests will be conducted in which sulfide mineral flotation is controlled by adjustment of the electrochemical potential throughout the entire processing cycle (i.e., grinding, classification, and separation). Tests also will be conducted to determine if mineral potential can be controlled by controlling the oxygen partial pressure in a closed flotation system. This would be a major advance in flotation technology because mineral separation could be obtained without the use of chemical reagents such as cyanide, thus mitigating some of problems associated with effluent disposal.

Research on mineral separations by sound waves will be completed, and the focus of work on microwave heating of minerals will be narrowed in an attempt to relate the basic dielectric properties of selected minerals to the degree of heating resulting from exposure to microwave energy, thereby enabling prediction of the energy required to produce thermal stresses and differential chemical reaction rates.

o Extraction Technology

- Leaching

Progress in FY 1986 and Prior Years: Metals and minerals present as chemical compounds uniformly distributed throughout an ore cannot be separated by physical means. Instead, leaching, in which mineral values are extracted chemically from the ore, followed by chemical extraction techniques offers the only current prospect for economic development of some of the large, low-grade deposits in the United States. Earlier studies developed fundamental data that provides a better understanding of mineral dissolution mechanisms for ores containing cobalt, copper, lead, and zinc. Research on chlorine-oxygen leaching of complex sulfide ores developed sufficient engineering data to enable industry to construct a pilot plant, if it so desires, to evaluate the process economics.

Many proposed hydrometallurgical processes, although preferable from an environmental standpoint, have not been competitive with smelting processes because the extractive reactions are slow; however, increasing the reaction rates by means of catalysts is a potential solution to the problem. As such, a data base on catalysts, mechanisms, and kinetics of dissolution of sulfide minerals in leaching systems was established, and research to determine the conditions for utilizing catalysts such as copper and silver for leaching sulfide minerals was begun.

Proposed Work in FY 1987: Efforts to improve heap leaching techniques for the treatment of low-grade and complex domestic resources will address the basic chemical dissolution reactions that occur during leaching. The catalyst data base will be expanded and investigations on the feasibility of using catalysts to accelerate the leaching rates of sulfide minerals will continue. Research on the leaching of lead from galena concentrates will be concluded, and the data will be published for use by industry.

- Electroscience

Progress in FY 1986 and Prior Years: Recovery of metal values from leach solutions can be accomplished by electrowinning; however while effective, it is an energy intensive method, and in conventional practice, yields a commercially important product only at the cathode. In addressing this problem, research showed it was possible to produce simultaneously a valuable product at the other electrode (anode), thus making more effective use of the electrolysis energy. Research also showed that metal values can be electrowon directly from a powdered mineral concentrate, eliminating a leaching or dissolution step.

Proposed Work in FY 1987: Research on direct electrowinning of metal values from concentrates using a 2-compartment electrolytic cell will be directed toward determining the factors that govern the efficiency of the process. In addition, molten-salt electrolysis will be investigated as a method for recovering metal components of certain high-technology materials important to national defense, e.g., rare-earth metal components for supermagnets.

o New Recovery Techniques

- Chemical Separation

Progress in FY 1986 and Prior Years: Research was initiated to determine the properties of selected mineral solvents under supercritical conditions (above the temperatures and pressures normally used). Results showed that such systems may be able to dissolve minerals and metals from ores and concentrates; however, rates were low in most systems tested. Other tests showed that a more promising application of supercritical fluid technology is to selectively extract metals already dissolved by the use of a supercritical solvent extractant. Supercritical solvents have the potential for significant improvements in selective metal recovery because pressure becomes a parameter that can be used to help control selectivity. This work indicated the possibility of developing a new processing technology whereby many different extraction steps would be replaced with different settings of the pressure and temperature in a single step.

Research findings published on another technique showed that cobalt chloride, which always accompanies nickel chloride in leach solutions from the hydrometallurgical processing for nickel, can be effectively separated by bubbling hydrogen chloride through the leach solution.

Research was initiated to obtain a basic understanding of the chemistry of leaching phosphate from Florida matrix using an acid-alcohol technique, and to design and test a small-scale experimental unit to study the effects of temperature, reaction time, and rate of acid addition on the overall process. This method offers the potential for increasing the recovery of phosphate from the matrix and, at the same time, reducing the amount of clay waste slimes as compared to current practice.

Proposed Work in FY 1987: The potential advantages of solvent extraction, under supercritical conditions, in recovering strategic and critical metals from both ammoniacal and sulfate leach solutions will be assessed.

Studies of the acid-alcohol leaching system for phosphate recovery will be continued, with emphasis on control of impurities throughout the processing sequence. Also, an expert system will be implemented to predict leaching conditions required for different ores.

- High Temperature Processing

Progress in FY 1986 and Prior Years: Methods now used to melt metals for refining or for producing alloys are energy intensive and costly. A nonconventional technique--plasma technology--was investigated to determine its applicability to mineral processing. Widespread adoption of plasma technology has been hampered by a lack of understanding of what happens inside the plasma arc. Consequently, basic data on the fundamental physics of electric arc, plasma generation, and metal reduction within the arc were collected. In addition, a unique double plasma furnace for the preparation of ferrochromium was tested.

Another problem related to high-temperature processing is that little is known about the particular solubility and reaction kinetics properties of molten metals that might be used to advantage in metallurgical separation, purification, and reduction processes. Here, physical and chemical characteristics of selected molten metals were determined in order to assess the feasibility of using molten metals as solvents in metallurgical processes. Also, increased metal recovery was sought through experimental smelting of sulfide ores in a calcium ferrite slag.

Proposed Work in FY 1987: Data needed to define ways to improve arc stability in electric arc furnaces will be obtained; ways to generate and evaluate plasmas will be developed; and molten-metal media useful for separation will be assessed. Research on smelting sulfide ores in a calcium ferrite slag will be concluded and the results published.

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Program Decrease:

Extractive Metallurgy Technology

Minerals Technology

FY 1987 Decrease: - $639,000
- 11 FTE-T

Leaching studies to recover base metals from sulfide concentrates have advanced to the point where the work could be performed more appropriately by the private sector. Research in this area by the Bureau will be discontinued and the results will be transferred to the industrial community. Also, studies of mineral response to magnetic fields will not be undertaken and the level of effort on the use of microwave energy in mineral processing will be reduced.

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MATERIALS AND RECYCLING TECHNOLOGY

Authorization: 30 U.S.C. 1-11

Objectives:

- Provide technology that will make it possible to use alternate or substitute materials for applications that now require imported strategic and critical materials, including chromium, cobalt, manganese, platinum, and refractory-grade bauxite and chromite.

- Develop fundamental information on the science and properties of materials that will allow improvements in the service life and performance of essential materials, particularly those containing strategic and critical minerals.

- Reduce the requirements for primary raw materials by providing new and improved recycling technologies.

- Devise safe, cost-effective methods to alleviate waste disposal problems associated with the processing of ores and the wastes resulting from the conversion of mineral-based materials into consumer and industrial products.

* * *

Materials

FY 1986 Adj. Approp.:	$7,540,000
FY 1987 Estimate:	$5,281,000

Overview: Research will result in technological options for the selection and use of domestically-available materials as substitutes for imported strategic and critical minerals. Basic and long-term laboratory research will produce technology for making new corrosion-resistant alloys that contain little, if any, chromium in their compositions; for preparing high-quality titanium alloys without the costly and complex reduction, blending, and multiple melting steps that now limit the use of titanium to aerospace or special chemical applications; and for substituting domestic raw materials for furnace refractories that are made from imported refractory-grade chromite and bauxite.

Research also will provide the basis for making advances in material conservation by relating the wear and corrosion behavior of metals to surface and internal structures, alloy phases, imperfections, and the influences of thermal and mechanical treatment during fabrication. Relationships between bonding phases and hard-metal compounds will be determined so that improved materials can be made from carbides, borides, and nitrides, and joining parameters will be established so that simple shapes of these materials can be made into complex parts.

Other materials research will improve the technology for joining dissimilar metals and alloys by low-temperature soldering methods and provide techniques to prepare surface coatings for imparting specific surface properties to bulk alloys.

Problem: The United States is importing a large portion of its mineral needs. These include refractory-grade bauxite and chromite for making refractories and chromium, cobalt, manganese, nickel, columbium, tantalum, zirconium, and tin ores for making metals and alloys. Demand for these materials currently is being met by imports that are still available at reasonable costs. However, in many cases substitute materials will be necessary in the near future. While many substitutes already are known, their use often requires either an effort to become familiar with a new material or higher costs.

While the availability of substitutes would help solve a supply disruption problem, the fact remains that all materials will fail in service sooner or later because they corrode, wear out, or break. The cost of these failures to the Nation is enormous, estimated to be hundreds of billions of dollars annually. Better knowledge of the properties of materials will make it possible to increase the service life of components and reduce our material requirements.

Advances in materials technology often lag well behind the progress in developing new scientific concepts. Frequently, these concepts cannot be applied because available engineering materials do not have adequate properties. To help close this gap, basic research is needed to develop the fundamental relationships between material structures and the chemical and mechanical properties that ultimately determine how a given material will perform in service. The private sector has little incentive to support this type of research because it is costly, high-risk, and long-range, leading to results that generally are generic rather than oriented to a specific product or market.

Related Bureau of Mines Activities: The Mining Research activity conducts research on wire ropes, including the testing and evaluation of full scale hoisting ropes, and on the corrosion of mine roof bolts of the split tube type. As part of the Minerals Institute program, there is research on the properties of furnace refractories and the corrosion and wear of grinding media at the Minerals Generic Research Centers for pyrometallurgy and comminution.

Program:

- o Alternate or Substitute Materials
  - - Steels Containing Chromium

Progress in FY 1986 and Prior Years: Research was conducted to explore the potential for eliminating or reducing the amount of chromium used in stainless steels, which is by far the biggest use of chromium in the United States. Encouraging results were achieved by substituting such metals as aluminum, molybdenum, vanadium, copper, and silicon for the chromium in new alloy steel formulations. Tests on experimental alloys showed that they had good corrosion resistance and high-temperature oxidation resistance, properties that chromium imparts to stainless steel.

In other research, chromium alloys, typical of stainless steels, have been prepared by rapid solidification processes to form powders that can be consolidated into homogenous and fine grained structures known to have some properties superior to those of alloys prepared by conventional castings and forging procedures. The joining of rapidly solidified alloys also has been investigated, particularly with such methods as capacitor discharge and inertia welding. Nondestructive evaluation techniques have been investigated for both consolidated powders and for joints. A number of the experimental alloy compositions that are considered potential substitutes for stainless steel has been prepared by rapid solidification. This work will determine whether rapid solidification will further enhance the mechanical properties of the alloys, thereby making them more attractive as substitutes for stainless steel and other high-chromium alloys.

Proposed Work in FY 1987: Research will optimize low-chromium alloy compositions so that the best combination of mechanical, corrosion, and welding properties can be obtained with a minimum of chromium in the alloys designed to substitute for stainless steel. Research also will determine whether chromium can be eliminated completely from the alloy composition for some applications. In other alloy research, substitutes will be investigated for the high-chromium (25 to 30 percent) alloys that are used to resist the corrosive attack of environments high in sulfur compounds such as sour natural gas and the atmospheres in many chemical reactors. Preliminary tests show that combinations of silicon and aluminum along with nickel can replace up to one-half of the chromium used in conventional alloys. Research will be completed to verify chromium-free heat-treatable steels as adequate substitutes for chromium containing steels used for gears, shafts, and other machine components. Part of this work involves the testing of gears machined from forged ingots of the experimental alloys prepared for the Bureau in a steel company's plant.

- Titanium Metallurgy

Progress in FY 1986 and Prior Years: Research has been conducted to prepare titanium alloy powders that are needed for efficient near-net-shape fabrication. This involved the preparation of titanium alloy sponge that could be ground directly into powders, rather than having to use the more complex method of forming the alloy from the conventional titanium sponge, followed by vacuum arc melting to produce alloys. A number of alloying elements were investigated such as aluminum, vanadium, molybdenum, and tin. Studies were initiated to understand reaction mechanisms, reaction rates, and solubility relationships. Research on titanium alloy powder will be completed in FY 1986.

Another investigation involved the vapor phase reduction of titanium chlorides in nitrogen to produce titanium nitrides for potential applications as hard materials in cutting tools.

Proposed Work in FY 1987: The research on titanium nitrides will be directed toward the preparation of titanium carbide and combinations of titanium nitride and carbide, which are potential substitutes for cobalt-cemented tungsten carbide. Titanium nitride, a very hard material, is used as a coating on some cutting tools where experience has shown tool life to be increased up to four times that of uncoated tools. In spite of this dramatic increase in performance, the use of both titanium nitride and carbide is limited by the impurities and particle size of the powders when prepared by existing technology. The direct reduction of the chloride holds promise to make powder that would not have these deficiencies.

- Nonmetallic Materials

Progress in FY 1986 and Prior Years: Earlier projects have provided a better understanding of ceramics for making furnace linings needed for emerging mineral processing technologies. Important advances were made toward improving the performance of alumina refractories in furnaces; determining the effects of minor additions on the hot strength of magnesia refractories; evaluating the resistance of refractories to the severe corrosive and erosive conditions in mineral wool and coal gasifier furnaces; finding substitutes for imported chromite in refractory compositions; and using additives to densify advanced ceramic sialon materials. Bureau research has improved the properties of alumina and magnesia refractories, using salt impregnation and sintering techniques. The use of ultrafine powders, made with Bureau-developed attrition grinding mills, was successful in producing advanced silicon carbide ceramics, as were chemical decomposition techniques used to produce a wide variety of ceramic formulations ranging from ceramic ferrites to hard boron carbides. Recent investigations have yielded information on the chemical resistance of ceramics to acid environments (important for both advanced mineral processing and pollution control), and on the use of nitride bonding in ceramics.

Silicon nitride-base ceramics, which have good high-temperature strength and oxidation resistance have been studied as alternate materials for applications such as high-temperature engine components. Progress has been made for controlling glass/ceramic interactions that are important for joining these materials and for nondestructive evaluation of internal defects and structural soundness. Research on silicon nitride-base materials will be completed in FY 1986. An investigation of the catalytic properties of synthesized intermetallic compounds will be completed to establish the potential of these materials as substitutes for commercial platinum catalysts.

Proposed Work in FY 1987: Salt impregnation and improved bonding techniques will be developed to further upgrade magnesia and low-aluminum content refractories into high-quality materials that can substitute for refractories made from imported refractory-grade chromite and bauxite. The technology for making refractory materials from fine particles will be adapted for preparing silicon and boron carbide ceramics for high-technology applications. Ways to improve the acid resistance of experimental refractories will be evaluated and field tests will be conducted in cooperation with industry to verify laboratory results and promote adoption of the technology.

o Improved Performance Materials

- Wear Research

Progress in FY 1986 and Prior Years: Various types of wear mechanisms encountered in mining and mineral processing environments have been simulated to establish the effect of heat treatment on ore grinding balls and plates; evaluate new wear-resistant ferrous alloys that contain little, if any, critical metals; and obtain base-line data for the actual field testing of equipment components. Other accomplishments include new casting techniques whereby hard wear-resistant material can be cast on wear-prone areas of mining and mineral processing equipment parts, such as the tips of shovel and ripper teeth, wear plates, and drills. Research has emphasized the fundamentals of wear mechanisms and the relationships among alloy phases, microstructures, and heat-treatments that impart good performance to equipment components subject to high-wear conditions. This information has been and will continue to be helpful for developing better wear-resistant materials and hardfacing methods.

Proposed Work in FY 1987: Specific research will be conducted to determine the effect of iron-carbon phases and alloy additions on the fracture resistance of white cast irons for grinding balls and the wear resistance of low-chromium, manganese steels. Parameters will be established that will relate laboratory data to actual results obtained in comparative field tests. New experimental alloys will be evaluated for resistance to wear caused by mineral slurries such as those encountered in ore milling. Related research will be on construction materials for the pipes and other equipment needed for transportation of mineral particles by slurry pipelines and the pneumatic transport of ores and concentrates. Better cladding and hardfacing materials to resist wear will be developed. Reducing the cobalt and chromium content of hardfacing alloys is also an important objective of this research.

- Corrosion Research

Progress in FY 1986 and Prior Years: Research on corrosion has been a long-standing part of the Bureau's materials research. The technological battle against corrosion requires a sustained effort not only to solve existing problems but also to consider problems that arise from both the introduction of new materials and new environments to which materials are exposed. For this reason, the Bureau in recent years has restructured its research to address more adequately the fundamental aspects of corrosion. Considerable progress has been made. Using advanced spectrophotometer techniques, valuable information has been obtained on surface films that inhibit corrosion on iron-base alloys. The inhibition of magnesium corrosion has been studied by forming stable magnesium complexes on exposed surfaces. This research could lead to a wider use of light-weight magnesium alloys. Platinum metal coating technology has been advanced by the use of laser melting to improve oxidation and corrosion resistance.

The Bureau's expertise in corrosion resulted in a request for assistance in an interagency research program on acid rain. Accordingly, studies of the atmospheric corrosion of structural materials have been conducted in cooperation with the Interagency Task Force on Acid Precipitation through an interagency agreement with the Environmental Protection Agency. Meteorological, air quality, and rain chemistry measurements are being made as an integral part of field corrosion studies to obtain an accurate assessment of the effects of environmental factors on the degradation of structural alloys. Test sites have been constructed and are in operation in North Carolina, Washington, D.C., New Jersey, New York, and Ohio.

Proposed Work in FY 1987: Atmospheric corrosion research will continue in cooperation with the Environmental Protection Agency and other interested parties. An additional test site is planned for the Northeast to assess the effects of acid rain in the region.

- Preparation of Hard-Metal Carbides

Progress in FY 1986 and Prior Years: Over 60 percent of the tungsten consumed in the United States is used as tungsten carbide, primarily for metal cutting tools and drilling equipment. Currently, most of this material is prepared by a complicated multistep process in which tungsten mineral concentrates are converted to metal that must then go through a high-temperature solid state reduction process to obtain tungsten carbide.

The Bureau has developed and patented a less complicated method to prepare the carbide directly from tungsten minerals. Research to optimize the method's molten salt, gas-sparging steps, both for obtaining high efficiencies and for making a tungsten carbide product of uniform quality, is continuing. In addition, grinding studies are underway to produce acceptable size ranges of the powder. At least six companies have shown interest in the work and have been supplied with samples of the tungsten carbide powder for evaluation.

Proposed Work in FY 1987: Industrial evaluations will be completed on tungsten carbide powder, both as a powder and after sintering into drill and machine tool inserts. The research in the laboratory will be extended to determine modifications of the molten-salt, gas-sparging technology that will be necessary to prepare other metal carbides, such as those of titanium and vanadium.

- Improved Metal Joining and Coating Technology

Progress in FY 1986 and Prior Years: Materials can be used more effectively if dissimilar metals and alloys having specific, and often unique, properties can be incorporated into a single design. Two well known examples are the joining of metals by soldering and the protection of steel from corrosion by galvanizing.

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$1,[illegible]. Funding provided in FY 1986 will allow for completion of research in these areas in FY 1986. Also, metallurgy research on technology for preparing titanium alloy powder will be phased out in FY 1986.

* * *

Recycling

FY 1986 Adj. Approp.: $7,[illegible]
FY 1987 Estimate: $6,[illegible]

Overview: As the principal Federal agency conducting recycling research, the Bureau directs its research toward recovery and reuse of mineral and metal values contained in a variety of wastes. The Bureau views recycling as a valuable and necessary means of conserving mineral resources and considers the mineral-based wastes generated by industry and the consuming public as secondary resources. Recycling, with its attendant savings in energy, is the only conservation activity that adds directly to our mineral supply. By improving and expanding conventional metallurgical and mineral processing techniques and adapting them to recycling problems, the Bureau has made significant contributions to recycling technology over the past 15 years. These contributions were recognized when the Bureau International de la Recuperation, a worldwide organization of recycling companies, awarded its first gold medal to the Bureau of Mines in 1979. A major part of the Bureau's current program is directed toward reclaiming such strategic and critical metals as cobalt, nickel, and chromium from scrap and waste materials. Environmental concerns that influence extraction of metals and nonmetallic minerals from bulk ores and mineral-based wastes also drive the recycling program.

Problems: The United States is importing a large portion of its mineral needs. In the past imports were limited to less common metals such as aluminum, chromium, tin, cobalt, and to metals such as platinum and gold. Today, not only are we importing these metals, we are faced with a rising tide of imports for metals such as iron and copper. Concurrently, generation of both industrial and post-consumer wastes containing valuable minerals continues to increase. Not only do these wastes frequently constitute environmental problems, often they are richer in grade than the ores from which the contained metals originally were extracted. In some cases they constitute our only domestic resource. These wastes occur as scrap metals, dusts, slags, grindings, and liquids. While much scrap is reused, some metallic scrap and most nonmetallic wastes are discarded. Metallic scrap is discarded or downgraded because it is contaminated and cannot be refined economically. In the case of nonmetallic wastes, the valuable minerals they contain cannot be extracted economically with existing technology. As a result, metal values increasingly are being lost in such wastes as ferrous scrap, steelmaking dusts, mixed superalloy scrap, and phosphate slimes.

[illegible] of [illegible] Activities: Complementary research is conducted by the Generic Mineral Technology Center at the University of Nevada-Reno and by its affiliates at the South Dakota School of Mines and Technology, New Mexico Institute of Mining and Technology, University of Idaho, and Montana College of Mineral Science and Technology. The research includes a variety of subjects ranging from water flow in tailings to acid generation in closed areas. An industry council advises the Bureau on proposals and quality of the work. Bureau staff monitors the Generic Center program to ensure that the research is relevant and complementary to the Bureau's in-house recycling program.

Program:

o Recovery of Cobalt, Nickel, and Chromium From Scrap and Wastes

- Superalloy Scrap

Progress in FY 1986 and Prior Years: Initial laboratory development of three new processing methods for recovering cobalt, nickel, and chromium from superalloy scrap and wastes will be completed by the end of FY 1986. These methods include: electrolytic codeposition of a cobalt-nickel master alloy from partially refined scrap; dissolution of bulk superalloy scrap in followed by leaching and electrochemical recovery of constituent metals; and solvent extraction of critical metals from acid leached wastes. The Bureau intends to assess which method is most promising for scale-up and process optimization.

Long-term, basic research began in FY 1986 to develop a fundamental understanding of superalloy dissolution in leach solutions, such as hydrochloric acid. This information is necessary to maximize recoveries of selected constituent metals. The applicability of molten metal filtration and matte smelting technologies to the recovery of constituents of superalloy scrap will be determined.

Bureau demonstrations in the use of improved scrap sorting methods at Department of Defense scrap yards resulted in over 100 percent increase of profits from the sale of 250 tons of high-alloy scrap having a value of over $0.3 million. A new technique being investigated by the Bureau is computer evaluation of spark spectra. The sparks, produced by bringing an alloy in contact with a grinding wheel, serve to identify the alloys' component metals.

Proposed Work in FY 1987: Continuing fundamental studies on electrochemical processes and solvent extraction from aqueous chloride solutions will determine the applicability of using combinations of extractants. Research that began in FY 1986 on matte smelting and mineral beneficiation of superalloy scrap will continue. In addition, research will continue on the formation of simple intermetallic compounds with high melting points. These compounds, containing cobalt, chromium, or nickel, will be filtered from the remaining molten superalloy scrap. The applicability of this laboratory technique to large-scale recovery of superalloy constituents will be determined. Scale-up and process optimization of the technology selected during FY 1986 for recovering cobalt, nickel, and chromium from superalloy scrap and wastes will begin and a determination made of the portion of the 40,000 tons of superalloy scrap annually downgraded, exported, or otherwise unrecycled that can be recycled by this method. This latter work was recommended by the Office of Technology Assessment report, "Strategic Materials: Technologies to Reduce U.S. Import Vulnerabilities."

- Dusts and Sludges

Progress in FY 1986 and Prior Years: New effort in FY 1987.

Proposed Work in FY 1987: Research will begin on the rapid conversion of chromium and cobalt oxides to metals in a hot, reducing (carbon monoxide and/or hydrogen) atmosphere. These oxides are normally contained in wastes such as furnace fumes and electrochemical machining sludges. Work during this fiscal year will focus on initial development of a thermochemical model of the process and design of a suitable reactor.

- Spent Copper Leach Solutions

Progress in FY 1986 and Prior Years: Another source of potential cobalt and nickel recovery is the acid solution used at industrial operations to leach copper. During the leaching process other metals, including cobalt and nickel, are dissolved, although only uranium currently is recovered in addition to the copper. A combination of ion exchange and solvent extraction techniques is being investigated as a means for recovering the cobalt and nickel. By the middle of FY 1987, the research will have been completed and an economic evaluation of the process obtained.

Proposed Work in FY 1987: The feasibility of using novel membrane techniques to immobilize bacteria will be investigated to determine their applicability to the biosorption of selected metallic ions from waste solutions.

- Stainless Steel Pickle Liquors

Progress in FY 1986 and Prior Years: Acid pickling of stainless steel produces a solution containing chromium and some nickel. Disposal of the spent pickling solutions poses serious environmental problems and wastes chromium, nickel, and fluorine present as hydrofluoric acid (HF). Studies will continue through FY 1986, in cooperation with the American Iron and Steel Institute, on the applicability of ion-selective membranes to the electrochemical recovery of chromium from spent pickling solutions and on the precipitation of iron-fluorine compounds for HF recovery. By the end of FY 1986, one of these two techniques will be selected by the Bureau for testing on a small pilot scale.

Proposed Work in FY 1987: Either an electrochemical technique or the precipitation of iron-fluorine compounds for recovering chromium and HF from spent stainless steel pickling solutions will be scaled up and process optimization will begin.

- Ferrous and Nonferrous Metals, and Nonmetallics From Scrap and Wastes

  - Flue Dusts

Progress in FY 1986 and Prior Years: Development of a simplified leaching process for recovering copper, lead, tin, and zinc from secondary copper smelter flue dusts was completed in FY 1985. The need for this technology originally was expressed by the National Association of Recycling Industries. Research on electrogalvanizing steel wire, using solutions obtained by leaching flue dusts, also was completed in FY 1985, and an effort was begun to extend this approach, in cooperation with various steel companies, to electrogalvanizing sheet steel. Of particular interest is a fundamental study of the effects of impurities in the leach liquors, dissolved from wastes along with the zinc, on the electrogalvanizing process and on the properties of the galvanized steel.

Another approach being explored during FY 1986 involves recovery of zinc from electric arc furnace (EAF) steelmaking waste dusts. This approach relies on flash smelting, i.e., conversion of zinc oxide contained in the dust to metallic zinc in a hot, carbon monoxide atmosphere. Millions of tons of EAF dust, which is classified as a hazardous waste by the Environmental Protection Agency, already have been generated. The Bureau of Mines is pursuing a two-pronged approach to recovery of zinc from EAF dust. One part of the Bureau program involves a contract with St. Joe Minerals Corporation to assess flash smelting on a commercial scale utilizing an existing furnace. Preliminary results suggest that this furnace allows the zinc to reoxidize, producing a product of limited utility. Therefore, as the second prong of its program, the Bureau will support the work being conducted by St. Joe Minerals Corporation by investigating methods to generate a metallic zinc product and to improve the purity of the zinc oxide product.

A method has been developed to leach 80 percent of the gallium from flue dusts generated during the production of elemental phosphorous. Electrolytic techniques are being investigated for recovery of the gallium from the leach liquor. Following process optimization, the research will be completed during FY 1986.

Proposed Work in FY 1987: Both applied and fundamental research on electrogalvanizing solutions obtained by leaching metallurgical dusts will be conducted. Emphasis will be placed on the effect of impurities on the characteristics of the zinc deposit. Results from previous fundamental studies will be applied to technology being developed for electrogalvanizing sheet steel.

- Aluminum Wastes

Progress in FY 1986 and Prior Years: Basic research on the use of ultrasonic energy to enhance the coalescence of aluminum droplets entrained in aluminum drosses was completed in FY 1986. This technique will decrease the amount of salt flux required to recover this entrained aluminum and thereby decrease the disposal of waste salt slag generated by this recovery, which represents up to 35 percent of the feed to the dross processing furnace. Research on the removal of nonmetallic inclusions from aluminum by filtration was extended to separating nonmetallic fibers from composite materials. The effects of filter pore size, pressure difference across the filter, and metal pouring temperature are being determined. The process will be optimized in terms of filtration rate and metal purity during FY 1986.

As a result of scrap identification studies, a simplified technique was developed based on hardness and electrical conductivity measurements that allows separation of several industrially important wrought aluminum alloys.

Proposed Work in FY 1987: None

- Iron and Steel Scrap and Wastes

Progress in FY 1986 and Prior Years: Research directed toward conserving energy by using offgases from electric arc steelmaking furnaces for preheating scrap being continuously charged to the furnace and identifying substitute slag fluidizers for imported fluorspar was completed. Work began in FY 1986 to develop a means for removing copper, a common impurity in ferrous scrap, from molten steel. Possible reagents for removing the copper are complex silicates and suboxides.

Proposed Work in FY 1987: Research on the removal of copper from molten steel scrap will determine the effects of metal temperature as well as metal slag composition on the amount and rate of copper removal.

- Titanium Wastes

Progress in FY 1986 and Prior Years: Acid leaching has been shown to be the preferred method for leaching tantalum, columbium, and vanadium from titanium chlorination wastes. During FY 1985 the leaching step was optimized and research began on the recovery of tantalum, columbium, and vanadium from the leach liquor. This latter work will be completed in FY 1986. Other work has demonstrated that titanium dioxide can be recovered from the chlorination residue by gravity separation methods. Industry has shown great interest in these steps to avoid waste disposal problems while recovering valuable materials.

Proposed Work in FY 1987: None

- Minerals Waste Management

Progress in FY 1986 and Prior Years: Mineral waste management studies have been concerned primarily with slimes. Technology has been developed to produce a phosphate concentrate that is very close to meeting industry standards from the coarse phosphate slime fraction by flotation. Blending with existing concentrates would produce an acceptable product. Technology for dewatering clay-based slimes by flocculation/screening is being transferred to a diverse group of industries, e.g., phosphate, potash, copper, gold, and coal producers. Techniques adapted from those used to dewater clay slimes have been applied successfully to alumina red muds, where they yield the added advantage of recovering sodium hydroxide for reuse. A cooperative agreement will be sought with one or more alumina producers to test this technology on a larger scale. In FY 1986 research began on the separation of solids from electrochemical and electrical discharge machining sludges.

Proposed Work in FY 1987: Research on dewatering mineral processing and metallurgical wastes will emphasize transfer of previously developed technology and the electrochemical and electrical discharge machining sludges. Work will begin to gain a better understanding of the mechanisms that control various solid-liquid separation operations, a key step in many recycling processes. Other water related research will concentrate on the removal of hazardous or potentially hazardous trace elements from aqueous solutions. In addition, research will begin on the problems of land within mineral processing and metallurgical plant boundaries contaminated by hazardous wastes. This contamination results from solutions containing hazardous substitutes flowing onto and over the ground over a period of many years.

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Program Decrease:

Materials and Recycling Technology

Recycling

FY 1987 Decrease: - $1,278,000
- 11 FTE-T

Research on arsenic extraction from wastes and critical metals recovery from titanium processing is scheduled for completion by the end of FY 1986. Contract research being conducted by St. Joe Minerals Corporation to convert zinc oxide flue dust to metallic zinc will be funded totally by FY 1986 funds, resulting in a savings of $700,000.

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SUBACTIVITY DECREASE FOR FY 1987

The decreases for Minerals and Materials Research are in two programs and four program elements:

(Dollar Amounts in Thousands)

		FY 1987 Base	FY 1987 Estimate	Decrease
Extractive Metallurgy Technology				
Mineral Resources	$	7,738	5,049	-2,689
	(FTE-T)	(105)	(91)	(-14)
Mineral Technology	$	9,546	8,907	- 639
	(FTE-T)	(198)	(187)	(-11)
Materials and Recycling Technology				
Materials	$	7,875	5,281	-2,594
	(FTE-T)	(132)	(122)	(-10)
Recycling	$	7,356	6,078	-1,278
	(FTE-T)	(150)	(139)	(-11)

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the $7,200,000 decrease for the Minerals and Materials Research subactivity is as follows:

	FTE-T	Amount
Personnel compensation	46	$1,907,000
Personnel benefits		267,000
Other services		5,026,000
Total		$7,200,000

Activity Summary
(Dollars in Thousands)

Activity: Minerals Information and Analysis

Subactivity (program)	FY 1985 Actual (B. A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) or Dec.(-) 1987 Est. over 1987 Base
Minerals Information	10,856	10,554	10,105	9,922	9,856	- 66
Mineral data analysis	18,550	18,431	17,646	18,507	16,714	- 1,793
Total	29,406	28,985	27,751	28,429	26,570	- 1,859

Justification of Program and Performance

Activity: Minerals Information and Analysis
Subactivity: Minerals Information

(Dollar Amounts in Thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Data Collection and Dissemination	$	8,259	7,908	9,922	9,856	-66
	(FTE-T)	(182)	(182)	(201)	(200)	(-1)
Minerals Information Systems	$	2,295	2,197	...	...	...
	(FTE-T)	(35)	(35)	(...)	(...)	(...)
Total Requirements	$	10,554	10,105	9,922	9,856	-66
	(FTE-T)	(217)	(217)	(201)	(200)	(-1)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Minerals Information	$	10,554	-449	10,105

As a result of the $449,000 P.L. 99-177 reduction, there will be reductions in the depth of coverage of some countries and commodities, as well as in the publication of summary statistics.

SUBACTIVITY OVERVIEW

The Bureau of Mines gathers, organizes, analyzes, and disseminates national and international minerals information. It is the Federal Government's focal point for authoritative and timely minerals information which is used by all minerals-related organizations in decisionmaking.

The Bureau canvasses domestic companies that produce and consume mineral commodities, and collects foreign mineral data from U.S. Embassies and foreign publications, and through on-site visits. It is the only organization, Federal or private, that collects minerals data on a regular basis from nonfuel minerals related companies and reports the aggregated data consistently and uniformly. While trade associations and private firms collect data to meet their own particular needs, in most cases the data are too fragmentary and incomplete for use in policymaking. Without the Bureau's program, users would have to rely on information from diverse sources with inherent inconsistencies and incompatibilities.

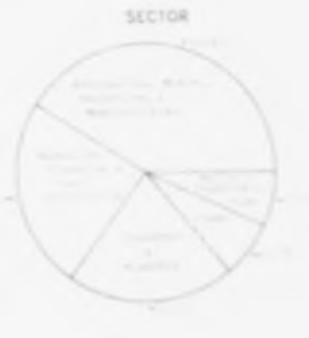
Collected data cover all aspects of the nonfuel minerals industry from exploration and development through production, processing, and consumption. Additional information is gathered through direct contact with industry, trade and technical associations, academia, State and other Federal agencies, and from technical, scientific, and trade journals. The products generated by this minerals information base are the Minerals Yearbook, Mineral Industry Surveys, Mineral Commodity Summaries, Mineral Facts and Problems, Mineral Commodity Profiles, Mineral Issues, and Mineral Perspectives. These publications reach a wide range of users.

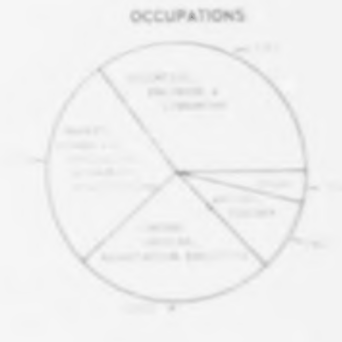
The products generated from this minerals information base are publications disseminated with the following frequency:

	Frequency*					
Publication	M	Q	SA	A	5-Yr	As Needed
Mineral Perspectives						X
Mineral Issues						X
Minerals Yearbook				X		
Mineral Commodity Summaries				X		
Mineral Facts and Problems					X	
Mineral Commodity Profiles						X
Mineral Industry Surveys	X	X	X	X	(Frequency varies by commodity)	

*Monthly, quarterly, semiannually, annually, every 5 years, as needed -- no fixed frequency.

The principal users of Bureau of Mines' minerals information publications include, by sector and occupations:





In FY 1987, the operation and maintenance of the Automated Minerals Information System (AMIS) will be provided by the Bureau's Division of Automatic Data Processing (included within the General Administration activity). The remaining Minerals Information Systems functions, consisting of statistical standards, and data management support, and computer services currently provided to the AMIS by the U.S. Geological Survey General Purpose Computer Center are incorporated within the Data Collection and Dissemination line item, as they provide direct support to this program.

The AMIS supports the collection, dissemination, and analysis of minerals information. Minerals data from diverse sources and covering about 100 mineral commodities are being integrated into a readily accessible mineral data base. Currently, AMIS components, installed or in development, have the capability to process approximately 60 percent of the Bureau's canvass forms which cover about 90 percent of the respondents to Bureau canvasses. Improvements are being made in statistical and data processing procedures to provide complete coverage of existing data bases, revise reporting formats to meet decisionmakers' needs, set uniform standards, and document procedures.

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DATA COLLECTION AND DISSEMINATION

FY 1986 Adj. Approp.: $7,906,000
FY 1987 Estimate: $9,816,000

Authorization: 30 U.S.C. 1-11

Objective: To maintain, support, and provide reliable data for analyses of national minerals problems by collecting, processing, interpreting, and disseminating worldwide information on the production, consumption, and availability of nonfuel minerals.

Overview: The resolution of issues critical to the Nation's defense and economic health rest in part on the availability of timely and accurate minerals information. Our increasing reliance on imports for domestic mineral needs makes comprehensive worldwide minerals information a vital component of policy and decisionmaking.

The minerals information and analysis provided by this program supports the President's National Minerals and Materials Program Plan as well as policies affecting the National Defense Stockpile, land use, tax and tariff, investment, research and development, environmental protection, and other minerals related aspects of domestic and foreign policies. Minerals supply and demand data are also needed to provide an information base to support the International Trade Commission, the Office of the U.S. Trade Representative, and other organizations that participate in formulating U.S. trade policy.

This program is implemented by mineral commodity and foreign country specialists who maintain a historical and current record of about 100 mineral commodities and the minerals and related industries of 168 countries. They collect data on all aspects of the nonfuel minerals industry, from exploration and development through production, processing, and consumption. They administer 167 questionnaires canvassing some 15,000 establishments on a monthly, quarterly, semiannual, and/or annual basis, depending on information requirements.

The Automated Minerals Information System (AMIS) supports the collection and dissemination of minerals information by providing for a consistent minerals data base that is used to easily produce tabulations for publications such as the Minerals Yearbook and the Mineral Industry Surveys. Additionally, the AMIS supports the detailed analysis of issues involving nonfuel mineral commodities essential to the Nation's economy and national defense.

In FY 1987, the AMIS program is being absorbed within the Data Collection and Dissemination program and the General Administration activity, Automatic Data Processing program element, respectively. Functions retained in the Data Collection and Dissemination program include statistical standards and data management support, and computer services currently provided to the AMIS by the U.S. Geological Survey. These functions provide direct support to the Data Collection and Dissemination program.

The AMIS includes data on mineral production, production capacity, consumption, stocks, imports, and exports. Both detail and summary data bases are being developed for 3 to 20 years depending on the data. The AMIS detail data bases cover a shorter period of time and are derived from data gathered by Bureau canvasses of industry and through U.S. Embassies for foreign data. Mine and plant specific data are available on a monthly, quarterly, semiannual, or annual basis depending on the frequency of the canvass. Bureau mineral specialists can easily and economically access any part of the data base, display information in report or graphic form, and perform specialized studies.

The Bureau's mineral commodity and country [illegible] specialists, with expertise in specific mineral commodities [illegible] at the domestic and foreign level, use the information collected by [illegible] surveys, provide early warning of problems, and forecast [illegible] U.S. and world supply and demand for the [illegible] minerals and their impact on the domestic economic [illegible]. This information is used by Members of Congress and [illegible] Federal agencies which contribute to policies related to defense, the national economy, foreign relations, [illegible]. The data are used by [illegible] to plan capital investments in mines and processing plants, by [illegible] analyzing the economy, by defense agencies in [illegible] national security, and by U.S. delegations in their work with [illegible] and international [illegible] groups. [illegible] is obtained through the sale of publications, with prices based upon U.S. Government Printing Office (GPO) published prices, [illegible] GPO's cost for [illegible], printing, handling, etc. Publications [illegible] include the Minerals Yearbook, Mineral Facts and Problems, and special publications such as [illegible] and Mineral Commodity Summaries.

To keep this information current and [illegible], the Bureau coordinates their work with numerous Federal agencies such as the Departments of Commerce, Defense, State, Transportation, and Treasury, the Central Intelligence Agency, the Council of Economic Advisers, the Federal Emergency Management Agency, and the Office of the Trade Representative. A [illegible] is published [illegible] government agencies. [illegible] the Congress and the General Accounting Office as well as organizations [illegible] in international mineral reporting, such as the Organization of American States, the International [illegible] Study Groups, the United Nations Conference on Trade and Development, and the World Bureau of Metal Statistics.

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supply/demand relationships, commodity prices, and other selected data was continued.

Statistical Standards and Data Management. Development of statistical standards and the management of data resources was continued. Improved statistical methods for estimation were developed to further increase the accuracy of published minerals information.

Proposed Work in FY 1987: The following publications and work activities will continue to focus on providing timely, consistent and comprehensive minerals information that meet the needs of a broad array of minerals data users:

Mineral Perspective Series. An international mineral industry series covering Middle Eastern countries will be published, and one on South American countries will be completed. These perspectives are designed to provide succinct information on the mineral industries of countries in a recognized geographical region. Of particular benefit to readers is a country map and table that show the location and characteristics of major mining areas and mineral processing facilities as well as summary statistics on reserves, production, and trade of minerals.

Mineral Issues. Work will be completed for publication of an indepth analysis of manganese in the Soviet Union for the period 1920-1984. The Soviet Union is the world's largest producer and consumer of manganese ore and a substantial exporter. The study will describe the historical development of the U.S.S.R. manganese industry, the salient geological and mineralogical characteristics of the two major producing areas, and mining and processing facilities. The report on Mexico will be completed. It will discuss, in-depth, the mineral industry, transportation, mining laws, investment laws, and the relationship of the Mexican mineral industry to the U.S.

Minerals Yearbook. The three volume 1985 Minerals Yearbook will be completed.

Mineral Commodity Summaries. An annual overview of mineral data will be provided by publication of the 1987 Mineral Commodity Summaries.

Mineral Industry Surveys. Statistical reports covering production and consumption of minerals will be published on a monthly, quarterly, semiannual, or annual basis, as appropriate.

Mineral Supply/Demand Data Disk. Three Mineral Industry Surveys containing 10-year supply and demand data will be available on 5-1/4-inch floppy disks for use on microcomputers. The disks are produced from the Automated Minerals Information System (AMIS) and will be distributed by the National Technical Information Service.

Detailed Commodity Data Subsystems. The operation and maintenance of AMIS detailed data processing procedures will be continued for the AMIS commodities implemented prior to FY 1987.

Summary Data Bases. Operation and maintenance of summary data bases for information on producers, world mine production, U.S. supply/demand relationships, commodity prices, and other selected data will be continued.

Statistical Standards and Data Management. The development of statistical standards to maintain the high quality of Bureau of Mines mineral data will continue. Improvements will continue to be made in the methods used for estimation. Management of the data resources in the Bureau's minerals information systems will continue.

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Program Decrease:

Data Collection and Dissemination

FY 1987 Decrease: -$66,000
-1 FTE-T

Overall program activity will be reduced by 1 FTE and $66,000. Coverage of less important commodities and countries in the world mineral economy will be reduced. This will be accomplished by the reassignment of commodity and foreign country specialists' duties and the use of more tables and statistical data in publications, rather than narrative text.

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MINERALS INFORMATION SYSTEMS

FY 1986 Adj. Approp.:	$2,197,000
FY 1987 Estimate:	...

Authorization: 30 U.S. C. 1-11

Objectives: To support the collection and dissemination of minerals information and to support analyses of nonfuel minerals problems and policies by making available readily accessible and integrated minerals data.

Overview: This program element is being absorbed within the Data Collection and Dissemination program, and the General Administration activity, Automatic Data Processing program element, respectively, in FY 1987. Program accomplishment and plans are discussed under the Data Collection and Dissemination program narrative.

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SUBACTIVITY DECREASE FOR FY 1987

The decrease for Minerals Information is as follows:

(Dollar Amounts in Thousands)

		FY 1987 Base	FY 1987 Estimate	Decrease
Data Collection and Dissemination	$	9,922	9,856	-66
	(FTE-T)	(201)	(200)	(-1)

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the $66,000 decrease for Data Collection and Dissemination is:

	FTE-T	Amount
Personnel compensation	1	$44,000
Personnel benefits		4,000
Other services		18,000
Total		$66,000

Justification of Program and Performance

Activity: Minerals Information and Analysis
Subactivity: Minerel Data Analysis

(Dollar Amounts in Thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Policy Analysis	$	10,912	10,447	10,957	10,957	...
	(FTE-T)	(197)	(197)	(197)	(197)	...
Technical and Economic Policy Analysis		3,508	3,359	3,522	3,522	...
State Activities		1,398	1,338	1,404	1,404	...
Minerals Availability		6,006	5,750	6,031	6,031	...
Land Assessments	$	7,519	7,199	7,550	5,757	-1,793
	(FTE-T)	(144)	(144)	(144)	(132)	(-12)
Mineral Surveys on Public Lands		4,906	4,697	4,926	3,553	-1,373
Mineral Investigations		2,613	2,502	2,624	2,204	-420
Total Requirements	$	18,431	17,646	18,507	16,714	-1,793
	(FTE-T)	(341)	(341)	(341)	(329)	(-12)

Gramm-Rudman - Hollings Impact

		FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Mineral Data Analysis	$	18,431	-785	17,646

As a result of the $785,000 P.L. 99-177 reduction, completion of the Juneau Mining District Study will be delayed by one year and completion of an analysis of land status in Alaska and western States will be delayed by six months. A comparative cost study for copper will be delayed until 1987. A contract for the collection of data to update the Minerals Availability system will not be let, and efforts to automate Mineral Land Assessment data will be at a minimum level.

SUBACTIVITY OVERVIEW

Mineral Data Analysis is the focal point within the Department for the study of problems and policies that affect supply of and demand for minerals. Its major goal is to develop and maintain analytical systems and mineral expertise essential to support the development and implementation of national policies related to minerals, and to support the Secretary's responsibilities to develop and implement programs under the Mining and Minerals Policy Act of 1970 and the National Materials and Minerals Policy, Research and Development Act of 1980.

Mineral Data Analysis performs policy analyses on problems of importance to the Administration and Congress, including the major problems affecting the viability of the U.S. mineral industrial base. It provides information and analysis on the minerals position of the United States through its mineral availability system which contains geologic, engineering, and economic information on more than 2,000 of the western world's largest deposits of the most important nonfuel minerals; it focuses on the problem of declining domestic supplies through its mineral land assessment program on public lands; and it provides an integrated State Activities Program.

The Bureau's major strategic planning effort in FY 1985, Project 2000, resulted in important changes in Mineral Data Analysis programs. Greater emphasis will be placed on the analysis of structural change in the minerals industry and international competitiveness issues affecting the minerals position of the United States. Increased emphasis will be placed on developing quantitative economic and technical information on mineral resources on public lands, especially strategic and critical mineral resources in Alaska. Strategic planning also demonstrated the need for interindustry analysis to quantify the regional impacts of minerals policy and problems; the need to assist Federal environmental agencies in developing and formulating cost-effective environmental regulations that impact on the domestic mineral industries; and the importance of extending the methods of the Minerals Availablity Program to include coal.

The Bureau will review the mineral information collected over the last 20 years from more than 50 million acres of public lands and identify specific areas with the highest mineral potential for further study. We also will assist other Federal agencies in meeting the U.S. policy objective of diversifying sources for imported critical and strategic minerals.

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POLICY ANALYSIS

Authorization: 30 U.S.C. 1-11

Objectives:

- To develop policy options which will assist the Federal Government in formulating and implementing actions designed to improve the availability of strategic and critical mineral supplies and other minerals essential to a healthy domestic economy.
- To identify key mineral issues, and assess the importance of technical, institutional, political, social, and economic factors that affect the supply of and demand for domestic and international minerals.
- To develop and improve the data and analytic tools for effective policy analysis.
- To provide mineral information for the public and private sectors on State-related issues and problems through a national network of State liaison activities.
- To provide policy makers, industry, and the public with site-specific engineering evaluations and availability appraisals for 34 nonfuel minerals (identified under the Minerals Availability program element), plus coal.
- To establish a systematic methodology for evaluating the effects of policy options on minerals supply and demand relationships for selected minerals.

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Technical and Economic Policy Analysis

FY 1986 Adj. Approp.:	$3,359,000
FY 1987 Estimate:	$3,522,000

Overview: This program element has a twofold goal: (1) Identify and assess the economic, technical, institutional, political, and social factors that influence nonfuel mineral supply/demand in the United States and abroad, particularly those forces which may affect the supply of critical and strategic minerals; and (2) generate reliable mineral cost information for government and industry decisionmaking. Analyses and information are provided for the public and private sector through publications and reports to facilitate the development of more effective mineral policy.

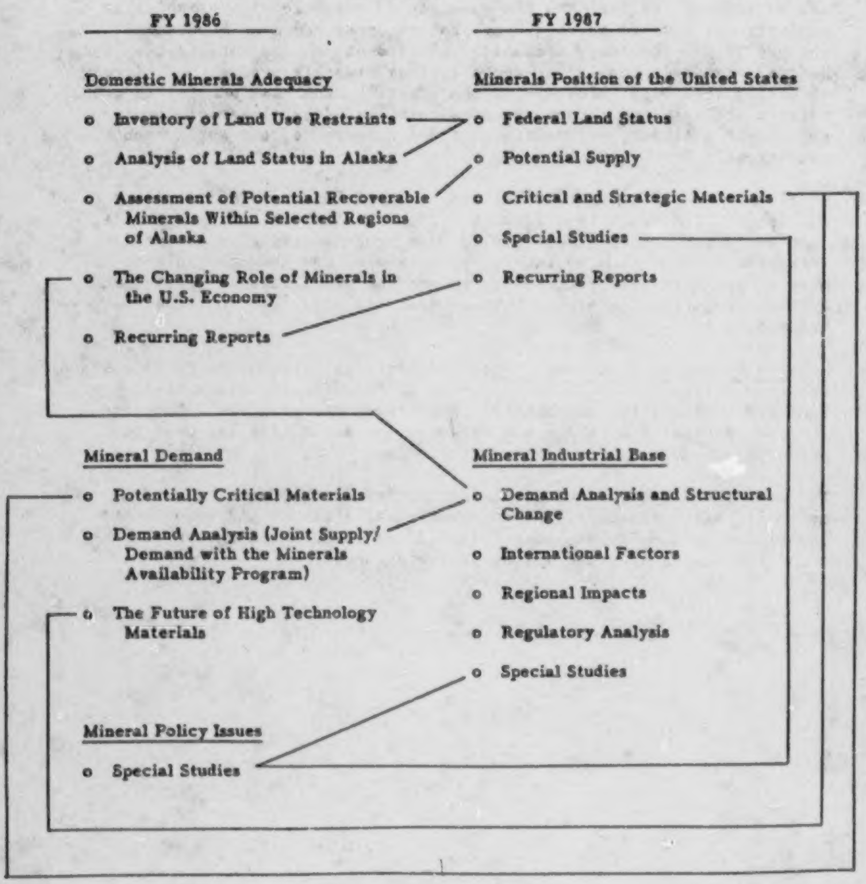
Project 2000, the Bureau's major strategic planning effort in FY 1985, has led to significant changes in the Technical and Economic Policy Analysis program element. Formal program study areas have been established to focus on the strategic minerals position of the United States and its mineral industrial base. Through this program structure, the problems of mineral import dependence and declining competitiveness are addressed. To evaluate the adequacy of domestic mineral supplies, analyses are made to identify key problem areas, such as structural changes in the industry, technological innovations and substitutes, and Federal standards regulating and affecting minerals production. Forces affecting the competitiveness of the domestic minerals industry in global markets are examined through studies that include analyses of foreign government policies, international trade agreements, and world economic conditions.

Problem: Dependence on critical and strategic mineral imports is continuing, and there is a growing reliance on imports of base metals, such as copper, which traditionally have been domestically produced. Increasing competition by foreign producers of raw through finished mineral products will continue to reduce the viability, diversity, and economic contribution of the U.S. mineral industry, and increase the trade deficit.

Related Bureau of Mines Activities: Activities relevant to Technical and Economic Policy Analysis include those of the Mineral Information, Minerals Availability and Mineral Land Assessment programs. Data and analyses generated by these and other Bureau activities are used for planning and for technical/economic studies.

To clarify the description of the activities in the Technical and Economic Policy Analysis program, individual elements and subelements identified in the FY 1986 budget justification document have been consolidated and depicted in the following chart.

-TECHNICAL AND ECONOMIC POLICY ANALYSIS-
PROPOSED FY 1987 BUDGET JUSTIFICATION STRUCTURE
(Compared with FY 1986 Budget Justifications)



FY 1986	FY 1987
Domestic Minerals Adequacy	**Minerals Position of the United States**
o Inventory of Land Use Restraints	o Federal Land Status
o Analysis of Land Status in Alaska	o Potential Supply
o Assessment of Potential Recoverable Minerals Within Selected Regions of Alaska	o Critical and Strategic Materials
	o Special Studies
o The Changing Role of Minerals in the U.S. Economy	o Recurring Reports
o Recurring Reports	
Mineral Demand	**Mineral Industrial Base**
o Potentially Critical Materials	o Demand Analysis and Structural Change
o Demand Analysis (Joint Supply/ Demand with the Minerals Availability Program)	o International Factors
	o Regional Impacts
o The Future of High Technology Materials	o Regulatory Analysis
	o Special Studies
Mineral Policy Issues	
o Special Studies	

Program:

- Minerals Position of the United States

Progress in FY 1986 and Prior Years:

Federal Land Status. In response to the President's National Materials and Minerals Program Plan and a Secretarial goal, a program of detailed studies showing the impact of Federal land restrictions on mineral exploration and development is being conducted for Alaska and each of the 11 Western States (Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming). These studies include the correlation of land categories with mineral favorability to clarify the relationship between resources and restricted lands. Pilot studies for Colorado, Washington, and one of six study regions in Alaska already have been completed. In FY 1985, the program was restructured, in part, to accommodate recommendations from a task force made up of Bureau of Mines (BOM), Bureau of Land Management (BLM), U.S. Geological Survey (USGS), and Forest Service (FS), representatives. The task force convened to coordinate and collaborate on the subject of land withdrawal information and evaluation and conveyed the results of its findings to the National Strategic Materials and Minerals Program Advisory Committee. The task force continues to coordinate this interagency work. The restructured program temporarily recessed the New Mexico, Wyoming, Utah, and Nevada studies to concentrate efforts on the Arizona and Oregon studies. In FY 1986, the Arizona report and three Alaska regional reports will be completed.

Potential Supply. In an effort to improve the usefulness of minerals information available for land-use decisions in Alaska, the Bureau and the State government jointly developed a methodology to assess quantitatively the potential for economically recoverable minerals within a mineralized region. This methodology was used to evaluate the mineral potential of Kantishna Hills area in Alaska, and is being applied to the Dalton highway corridor in Alaska.

Critical and Strategic Materials. The continuing evolution of advanced technology will be accompanied by changes in the demand for various minerals. Some minerals may experience significant growth in demand, and possible supply problems may be encountered, including new occurrences of mineral-import dependence or vulnerability. Consequently, work was initiated to identify those minerals (such as gallium, cesium, and indium) which may experience significant worldwide growth in demand that could lead to critical supply shortages. Also, work was conducted on identifying the major technological changes expected in the development of new high-tech materials. This study will provide a report on new technological developments in the material industry that create new products competitive with conventional mineral materials. Specifically, the report will focus on the impact that new metals, ceramics/glass, polymers, and composites have on the more traditional materials.

Special Studies. Unscheduled studies and analyses are provided in response to special requests from the Department, other government agencies, and Congress. Special analyses pertinent to the U.S. minerals position have assessed proposed stockpile disposal actions, and, more recently, proposed Congressional legislation to protect domestic minerals producers.

Recurring Reports. Two periodicals continue to be published: "Minerals and Materials: A Bimonthly Survey" and the "Annual Report of the Secretary of the Interior Under the Mining and Minerals Policy Act of 1970 (P.L. 91-631)." Minerals and Materials (M&M) provides mineral information and analysis on a bimonthly basis to a broad readership. Since publication began in 1975, M&M has reported on mineral highlights, and has presented graphs and time series for 12 key minerals. During the past 3 years, these elements have been refined in terms of presentation, scope, and focus; and new features have been added, including an economic analysis section. In addition, a revised and updated report "The Minerals Position of the United States" will be published in 1986; this report will serve as a reference document for government officials and other executives who need a comprehensive summary in graphic form of the most salient characteristics of the U.S. minerals position in relation to the rest of the world. In accordance with P.L. 91-631, the most current Secretary's Annual Report discusses the state of the domestic mining, minerals, and mineral reclamation industries, and provides Congress and the public with summaries of the most important mineral information and key mineral issues. This report highlighted the status of the U.S. mineral industry in the early 1980's and discussed a number of problems directly affecting the U.S. mineral producers.

Proposed Work in FY 1987:

Federal Land Status. Federal mineral policy has been hindered by the lack of accurate information regarding the impact of formal (legal) and informal (administrative) restrictions on the availability of land for mineral exploration and development. In response to in the President's 1982 report to Congress on minerals and materials, detailed studies will continue on the impact of Federal land restrictions on mineral exploration and development in the 11 Western States and Alaska and the results will be published, providing for the first time a comprehensive analysis of this important subject. These studies will include the correlation of mineral favorability with land restrictions. In FY 1987, work on the Nevada and New Mexico land restraint studies will resume. The Oregon study and one regional study in Alaska are planned for completion. Input for these studies will be obtained by the participation of BLM and the USGS. Land restriction data will continue to provide the USGS with automated land restriction information.

Potential Supply. The methodology used to evaluate the mineral potential of the Kantishna Hills area in Alaska will be applied to access the mineral potential of other areas in Alaska. The resulting information on the quantities and values of potentially recoverable mineral resources will be presented in an economic context to land-use planners and other decisionmakers. Participation of other Federal agencies in these assessments will be invited as was done in the case of the USGS in the Dalton highway corridor study. A panel of experts met in Anchorage, Alaska to participate in a resource assessment based on a subjective probability methodology.

Critical and Strategic Minerals. Work will be completed on the identification of minerals with potential supply problems. In order to anticipate and assess the development of potential supply problems, this work examines the qualitative and quantitative changes in mineral requirements brought by new technology. A study will seek to identify minerals with "critical" potential through an analysis of trends, forecasts, and possible developments in supply and demand. Work will also begin on studies which will clarify parameters that define the criticality of strategic and critical minerals. This work will make possible the development of policy initiatives that can be taken to minimize or avoid the costly disruptions that accompany unanticipated changes.

Special Studies. Experience in recent years indicates that special requests requiring ad hoc studies and analyses will continue to come from the Department, other agencies, and Congress.

Recurring Reports. "Minerals and Materials: A Bimonthly Survey" will continue to publish mineral information and analysis of value on a bimonthly basis. The publication will be expanded to include information from additional Bureau programs of interest to the readers. The 1985 Secretary's Annual Report on Mineral and Minerals Policy will focus on mineral problems as reflected in supply/demand and foreign competition.

- Mineral Industrial Base

Progress in FY 1986 and Prior Years:

Demand Analysis and Structural Change. The development of a demand analysis capability to be integrated with the Bureau's Minerals Availability System (MAS) was initiated for a selected group of minerals. When combined with MAS, the demand capability will enable the Bureau to perform economic evaluations of the effects of policy options. Prototype demand analysis systems have been completed for aluminum, phosphate, and chrome. In addition to this work, a study evaluating the impact of structural changes in the domestic minerals industry was started. This study will be completed in FY 1986 as a joint report with the Department of Commerce projecting intensity of use and consumption for 12 metals in their end-use sectors. The study is needed to understand how structural changes in the mineral industry will affect other sectors of the national economy. An analysis of the current decline in domestic smelting capacity with projections through this decade also will be completed in FY 1986.

International Factors. A study was completed on the lending practices of multinational banks financing foreign mineral development projects as a basis for comparing domestic and foreign producer costs. A project examining the implicateions and extent of foreign ownership in U.S. mineral industries also was conducted in response to a GAO recommendation. In addition, an analysis of the effect of potential Colombian coal exports on U.S. markets was completed in FY 1985. These studies provide insight into the competitive position of the U.S. mineral industry.

Regional Impacts. A study showing the county, State, and regional impact of copper, potash, and uranium mine closures in New Mexico was conducted during FY 1985 in response to a Congressional request. A similar study showing the regional impacts of mining on employment and local economies in Idaho will be completed in FY 1986. A study on intra-industry and regional variations in water use for mining and minerals processing was initiated to provide industry and government water use planners with information needed to anticipate future water needs. This study will be of use to the U.S. Geological Survey, since they gather and analyze many types of water resources data.

Regulatory Analysis. Evaluations of Environmental Protection Agency (EPA) superfund toxic waste programs and comparisons of alternative program revenue mechanisms were begun to identify options that would have maximum effectiveness with reasonable costs to the industry. In addition, compilation of the most important foreign environmental standards was initiated as a basis for identifying cost differences between domestic producers and their competitors abroad. A joint government-industry study undertaken with the Division of Minerals Availability to analyze the cumulative costs of regulatory requirements on domestic primary lead production will be completed in FY 1986. The study also provides a methodology that can be used to estimate the costs of proposed future regulations.

Special Studies. Unscheduled studies and analyses responding to requests from Congress, the Department and other agencies historically have been a part of policy analysis dealing with the U.S. mineral industrial base. Recent special studies include an analysis for the Office of the U.S. Trade Representative concerning the President's copper import relief decision and a Congressionally requested study of mine closings in New Mexico. Other special studies on the U.S. industrial base in recent years include: (1) analysis of a request by the Government of Zambia to the African Development Bank for a copper operations loan and for investment in production equipment; (2) analysis of a request by the Government of Zambia to the World Bank for a general development loan which included funds for copper operations and investment in production equipment; (3) analysis of the Government of Chile's request to the Inter-American Development Bank for a production equipment loan; and (4) analysis of the U.S. Export-Import Bank loan for the sale of U.S. machinery to CODELCO, the Chilean national copper producing company.

Proposed Work in FY 1987:

Demand Analysis and Structural Change. The demand analysis for copper, planned to be integrated as a part of the Minerals Availability System, will be initiated and completed. The study examining the changing structure of domestic mineral industries will be used to compare the role of U.S. producers with those of other selected countries to identify differential costs.

International Factors. Analyses will be initiated to examine specific factors that influence the competitiveness of domestic producers. Subjects for analysis include quotas, tariffs, differential subsidies and the global flow of funds for minerals development. The objective is to provide a basis for the formulation of policies that can help strengthen the competitive position of U.S. mineral producers.

Regional Impacts. Using inter-industry analytic techniques, regional economic impacts caused by major changes in minerals production will be analyzed for additional States, possibly Alaska and Arizona. These analyses will provide information on the overall economic importance of the mineral industry to these regions. Analysis of regional and intra-industry variations in water use for mining and minerals processing will be completed.

Regulatory Analysis. Techniques of economic analysis applied in conjunction with the Division of Minerals Availability in the primary lead study completed in FY 1986 will be enhanced and used to measure the costs of proposed regulations for other mineral industries. Increased interaction with regulatory agencies will be initiated to increase the Bureau's role in determining the final form of proposed regulatory standards involving mineral-related issues.

Special Studies. Based on experience in recent years, special requests requiring ad hoc studies and analyses are expected to continue in FY 1987 from Congress, the Department, and other agencies.

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State Activities

FY 1986 Adj. Approp.	$1,338,000
FY 1987 Estimate:	$1,404,000

Overview: Through a national network of 14 State Mineral Officers located at Bureau field centers, an effective liaison between the Federal Government and States is provided. This network monitors State related mineral supply/demand issues and provides a Federal source at State levels for the exchange of information between the Federal Government and regional public and private organizations. These activities generate a variety of services and result in the issuance of recurring and special reports.

Problem: Public and private mineral issues are interrelated and interdependent. National policies affect domestic mineral operations and State political, social and economic conditions. Conversely, events and decisions at the corporate and State government levels often have a significant impact on national policies. Timely mineral intelligence from all sources is needed by the Federal Government and private corporations for the formulation and evaluation of policies and their resultant actions. The collection and exchange of information at State levels supports and strengthens mineral decisionmaking at all levels and is an important component of the Federal Government's mineral information and analysis system.

Related Bureau of Mines Activities: The State Activities program supports most other Bureau programs. It provides services for other Bureau entities on State-related issues, and assists in the maintenance of a reliable mineral information base. Through agreements with State Government mineral organizations, it supports the Bureau's minerals data base by investigating data sources related to data collection surveys and enlisting the cooperation of mineral producers in maintaining the reliability of this base. Current State mineral issues are examined in the Bureau publication "Minerals and Materials: A Bimonthly Survey."

Program:

Progress in FY 1986 and Prior Years:

The State Activities program provides continuing services and recurring and special reports. Each year, approximately 600 mineral intelligence reports and over 3,000 mineral news items are prepared by State Mineral Officers and an estimated 100 State legislative actions are tracked. Over 45,000 copies of annual State Mineral Industry Surveys are distributed, and the Minerals Yearbook (Volume II) is published. Approximately 1,500 copies of this volume are sold annually.

Proposed Work in FY 1987:

Current services and products will be maintained with some modifications to provide more indepth coverage and analysis.

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Minerals Availability

FY 1986 Adj. Approp.: $5,750,000
FY 1987 Estimate: $6,031,000

Overview: The Minerals Availability Program (MAP) seeks to develop consistent and current assessments of the worldwide availablity of minerals essential to the economy and national security of the United States. Engineering and financial evaluations of the most important deposits provide primary data with which to verify or estimate potential mine production of key minerals at alternative prices. Combined with methods for detailed representation and analysis of the minerals cycle and markets, these data allow systematic and reproducible analysis of the impact of growth in international trade, the cost of mineral producers and markets, and a factual basis for policy development in support of the "Mining and Minerals Policy Act of 1970" (P.L. 91-631).

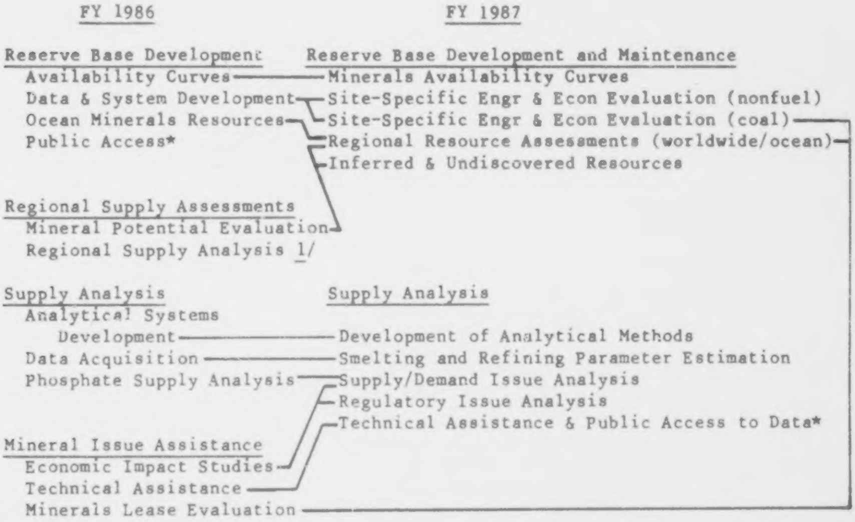
Detailed engineering and economic evaluations for the 2,400 most significant domestic and foreign mining and processing operations in the Western world have been completed. Since 1982, price index series for the 13 principal components of mining and processing have been developed and documented for 95 different countries to allow updating of the costs associated with the physical inputs identified in the engineering evaluation of individual mineral operations.

This massive information base has generated a substantial body of analytical reports, particularly in the period from FY 1983 to FY 1986. Twenty-four minerals availability resource studies have been or will be published and 197 foreign country cost indice reports have been or will be issued. Also since 1983, 10 other publications, 34 open-file reports, 5 special reports, and 12 presentations have been developed from the minerals availability information.

These reports, the information base, and the analytical capability now in place in Minerals Availability have been used in several recent policy applications, such as detailed evaluations of mineral leasing and royalty proposals on public lands, comparisons between State and Federal mineral tax provisions, and comparative factor analysis between domestic and foreign copper and domestic and foreign coal producers.

Experience has indicated several improvements that should be made in the program. Concentration on demonstrated (measured plus indicated) resources is too narrow to provide optimum mineral policy guidance. Beginning in FY 1986 procedures for estimating inferred and undiscovered resources will be developed Future appraisals of minerals availability will reflect this more comprehensive approach. Current interest in the international competitiveness of U.S. coal mines has created a need for site-specific comparative evaluations of coal producing operations. Hence, engineering and economic evaluations of specific domestic and foreign coal mines were developed in FY 1985 and FY 1986. Also, consistent and credible assessments of the impact of market factors and policy issues on mineral producers require that supply analysis be systematically related to demand analysis. Supply/demand analytical systems based on the site-specific MAP data are being developed sequentially for 11 important mineral commodities.

To clarify the description of the activities of the Minerals Availability Program, the individual elements and subelements separated out in the FY 1986 budget justification document have been consolidated as depicted in the following chart.



FY 1986

Reserve Base Development
  Availability Curves
  Data & System Development
  Ocean Minerals Resources
  Public Access*

Regional Supply Assessments
  Mineral Potential Evaluation
  Regional Supply Analysis 1/

Supply Analysis
  Analytical Systems Development
  Data Acquisition
  Phosphate Supply Analysis

Mineral Issue Assistance
  Economic Impact Studies
  Technical Assistance
  Minerals Lease Evaluation

FY 1987

Reserve Base Development and Maintenance
  Minerals Availability Curves
  Site-Specific Engr & Econ Evaluation (nonfuel)
  Site-Specific Engr & Econ Evaluation (coal)
  Regional Resource Assessments (worldwide/ocean)
  Inferred & Undiscovered Resources

Supply Analysis
  Development of Analytical Methods
  Smelting and Refining Parameter Estimation
  Supply/Demand Issue Analysis
  Regulatory Issue Analysis
  Technical Assistance & Public Access to Data*

Problem: The traditional approach to reserve estimation has been to compile, from published and unpublished sources, statements made by mine owners and operators about their reserves. The problems with this approach include the difficulty of aggregating estimates made by various sources using different criteria and the perishable nature of such estimates as technological, economic, and political factors change. Ad hoc analysis, based on this approach, provides only partial answers to questions about important mineral issues and policies. In particular, aggregated data cannot support analysis of market or policy impacts at specific mining operations when the mining operations differ significantly. There is also the potential for bias because incomplete data on actual mining operations undermine the credibility of analysis based on such data.

1/ Item not included as heading in FY 1986 Budget Justification.
* - Used in place of connecting lines

Related Bureau of Mines Activities: The Minerals Availability Program focuses on mineral resource classification and variability. It requires interaction with virtually all Bureau activities.

Program:

- Reserve Base Development and Maintenance

  Progress in FY 1986 and Prior Years:

  Minerals Availability Curves. Availability curves for 34 nonfuel minerals (identified below) have been developed from the site-specific evaluations. A maintenance system for reevaluating selected mines and deposits and for updating existing evaluations with country-specific economic indices has been implemented. This allows correction of engineering cost and related data that have lost accuracy as technical, economic, and political conditions change. Products, ranging from domestic and market economy country availability appraisal reports to country profile reports, are used by foreign governments, Federal and State agencies and the private sector as a source of factual information.

  Minerals Availability Commodities

  Copper
  Aluminum
  Chromium
  Cobalt
  Manganese
  Phosphate Rock
  Zinc
  Nickel
  Platinum
  Iron
  Tin/Tantalum
  Lead
  Potash
  Fluorspar
  Tungsten
  Asbestos
  Titanium
  Columbium
  Mercury
  Gold
  Silver
  Antimony
  Molybdenum
  Barite
  Graphite
  Beryllium
  Lithium
  Magnesium
  Rare Earths
  Sulfur
  Thorium
  Zirconium-Hafnium

  Site-specific Engineering and Economic Evaluation (Nonfuel). Site-specific engineering and financial evaluations for 2,400 of the world's largest deposits of nonfuel minerals have been completed. This effort solves the problems associated with the lack of consistent and unbiased data in the worldwide production potential of known deposits of important minerals. Products include printouts of location, ownership, and nonconfidential geological and engineering information on specific deposits. Mineral Industry Location System (MILS) data are being updated and are available to the public upon request. A directory of principal deposits of strategic and critical minerals in Nevada has been published and similar directories for Alaska and Idaho are being developed.

  Site-specific Engineering and Economic Evaluation (Coal). A prototype study using site-specific engineering and discounted cash flow evaluation methodology has been successfully applied to domestic and foreign coal mines. A joint report, requested by Congressional committees, on the relative environmental, safety, and labor costs at U.S. and Colombian coal mines has been provided to the Congress through the International Trade

Administration of the Department of Commerce. MILS data on approximately 234 mines in 6 Western States are being updated.

Regional Resource Assessments (Worldwide/Ocean): To better estimate the strategic and critical mineral potential of specific areas and to expand development within the Exclusive Economic Zone (EEZ), detailed studies have been completed on the feasibility of mining manganese resources, and preliminary economic studies have been initiated on the feasibility of mining polymetallic sulfide and nickel-cobalt crusts. A regional resource assessment on the silver resource of the Revett Formation in Montana and Idaho is underway. Also, a project to evaluate the Goodnews Bay (Alaska) offshore platinum placers has been started. Mining feasiblity data and analysis have been provided in support of Minerals Management Service's Environmental Impact Statements covering mineral leasing within the U.S. EEZ.

Inferred and Undiscovered Resources: In support of the "National Materials and Minerals Policy, Research and Development Act of 1980" (P.L. 96-479), mineral availability appraisals need to consider inferred and discovered resources in order to allow more undiscovered comprehensive anlaysis. Following coordination meetings between the Bureau and the USGS in FY 1986 efforts were begun to identify and assemble data compatible with existing site-specific data.

Proposed Work in FY 1987:

Minerals Availability Curves. The most recent available data used in the detailed index procedure will be collected to ensure that all the availability appraisals can be kept up to date. Over a 4-year cycle, availability curves for each of the 34 commodities will be reestimated using updated evaluations.

Site-specific Engineering and Economic Evaluation (Nonfuel). To maintain the accuracy of the detailed cost data on the deposits already covered in the minerals availability system, approximately 570 deposits of 16 mineral commodities will be reviewed and reevaluated where significant operating changes are identified. MILS data will be updated and the MILS directories for Alaska and Idaho will be published.

Site-specific Engineering and Economic Evaluation (Coal). Site-specific engineering evaluations will be developed on selected domestic and foreign coal mines to support interntional coal-mine cost-comparison studies and to explore the feasibility and effort necessary to construct detailed coal availability appraisals like the ones already developed for the 34 previously listed nonfuel minerals.

Regional Resource Assessments (Worldwide/Ocean). A regional resource assessment report on the silver resources of the Revett Formation in Montana and Idaho will be completed. A project on Goodnews Bay offshore platinum placers will be completed and will serve as a guide for additional projects evaluating mineral deposits in the EEZ. Regional resource assessment techniques will be adapted to estimating economically recoverable resources of critical and strategic minerals in foreign developing countries such as those in the Caribbean Basin.

Inferred and Undiscovered Resources. In coordination with the USGS, techniques will be developed for evaluating, and supplementing as necessary, engineering cost and recoverability estimates for inferred and undiscovered resources.

o Supply Analysis

Progress in FY 1986 and Prior Years:

Development of Analytical Methods. A general supply/demand framework for addressing the immediate as well as long-run impacts of issues important to minerals production has been constructed. Specifically, mineral cost data through the refinery stage, including secondary supply, have been systematically integrated, using a network flow methodology, with detailed demand representations for phosphate and chromium. Development work has begun on similar supply/demand systems for copper and lead. These efforts solve the problem of developing more credible analysis.

Smelting and Refining Parameter Estimation. To address commodity market issues with post-mill processing site detail, engineering data are being developed on major smelters and refiners to complement the existing data base on mines and milling facilities. Data acquisition has begun, and engineering parameter estimates for primary smelting and refining and for secondary processing of aluminum, lead, and zinc have been developed. Similar efforts have begun for copper, cobalt, and nickel. Formal plant reports as well as data sets will be added to the MAP system.

Supply/Demand Issue Analysis. Analyses examining the sensitivity of costs at specific mines to factors such as the proposed revision of the federal tax code have been developed. This provides documented estimates of the impact of policies on specific operations.

Regulatory Issue Analysis. To support the increased need for quantitative estimates of the impact of regulations on the competitiveness of domestic producers, engineering estimates of the cumulative costs of regulations on primary lead and mineral processing have been developed. Those estimates provide an authoriative basis against which to compare the cost-effectiveness of existing and proposed regulations and measure the impact of regulations on the international competitiveness of U.S. producers.

Technical Assistance and Public Access to Data. Assistance has been provided to the Bureau of Indian Affairs on the value of proposed leasing of Indian lands, and to State governments on mineral taxation issues. Efforts to implement new procedures and modify existing ones to increase public access to mineral data and information, including microcomputer diskettes and/or on-line public access to selected data, have been started.

Proposed Work in FY 1987:

Development of Analytical Methods. To properly represent long-range supply possibilities, methods will be developed for incorporating resources beyond the demonstrated level into existing availability and new supply analysis systems. To enhance methods for analyzing the flow of minerals from mines through processing and trade, a transportation model will be constructed. The development of supply/demand systems for copper and lead will be completed and tested, and development of similar systems for aluminum, cobalt, and nickel will begin.

Smelting and Refining Parameter Estimation. Collection of data, both engineering and cost, will be completed for copper, cobalt, and nickel smelters and refineries, worldwide. Secondary supply information by major industrial country on these metals will also be assembled. A project to collect process engineering and cost data for ferromanganese and for post-mill molybdenum and tungsten processing will be started. These data will allow the analytical system to show the market effects of variation in the processing parameters.

Supply/Demand Issue Analysis. The phosphate and chromium analytical systems will be applied to test the impacts of regional supply disruptions, increased foreign competition, environmental restrictions, and prospective government policies. The copper and lead analytic systems will be used to estimate the market effects of more stringent Federal, State and foreign regulatory standards due for implementation in 1988, international lending policies, changing currency values, and other factors. The sensitivity of minerals availability and mineral project viability to decrease investment, weak markets, higher exploration and development costs, and other long-term trends will be assessed.

Regulatory Issue Analysis. In accordance with the recommendation of Project 2000 the regulatory cost analysis methodology developed for the lead industry will be modified and applied to evaluating the cost-effectiveness and burden imposed by environmental and safety regulations on all the strategic and critical minerals, starting with copper and aluminum. The relative cost shares attributed to compliance with environmental regulations in domestic and foreign coal mines will also be estimated.

Technical Assistance and Public Access to Data. Technical assistance will be provided as needed on special issues. Efforts will be continued to implement new, and modify existing, procedures to increase public access to mineral data and information, including microcomputer diskettes and/or on-line public access to selected data and analytical systems.

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LAND ASSESSMENT

Authorization: 30 U.S.C. 1-11, 16 U.S.C. 1131-1136, 43 U.S.C. 1701-1782

Objectives:

- To provide reliable and comprehensive information concerning the mineral values that may be present on public lands for use in land management decisions by Congress and Federal land management agencies.
- To ensure the adequacy of minerals information available to the Federal Government and the public for inclusion in and evaluation of environmental and land management documents.

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Mineral Surveys on Public Lands

FY 1986 Adj. Approp.:	$4,697,000
FY 1987 Estimate:	$3,553,000

Overview: The Bureau's land assessment program is in direct response to more than 30 statutes that require mineral surveys of certain Federal lands. These statutes direct the Bureau of Mines and U.S. Geological Survey to conduct minerals and energy assessments and surveys, an important part of the information base used by Congress and land-management agencies in arriving at final decisions on public land use. The land-management agencies delineate areas to be surveyed and establish priorities.

Bureau engineers and geologists evaluate each study area in a three-phased process. First, available records concerning an area are searched for indications of possible mineralization within the area. These records include mineral production files, courthouse records, and State or land managing agency files.

Second, the record search is followed by a field examination of the area. Mine prospects, abandoned mines, old mine dumps, outcrops, and the other physical features indicative of mineralization are sampled and are assayed. A normal mineral survey cycle for the Bureau requires two fiscal years to complete. Experience indicates approximately 20 percent of the areas will require a second field season and a carryover to a third year for report completion. In the third phase, the Bureau prepares an engineering/economic report on its findings which is combined with the findings of the U.S. Geological Survey and published in a jointly authored report for use by the Congress, the land managing agency, and the public.

Minerals surveys are conducted on wilderness areas, Roadless Area Review and Evaluation (RARE II) lands, primitive areas, and other areas designated by the Forest Service; on Instant Study Areas and Wilderness Study Areas managed by the Bureau of Land Management; and on certain lands managed by other agencies within the Department of the Interior. The more than 50 million acres of public land evaluated for mineral potential by the end of FY 1985 include 27 million acreas of National Wilderness Preservation System lands, 12.5 million acres of RARE II Further Planning lands, 3.1 million acres of RARE II wilderness recommendation lands, 3.7 million acres of Interior lands, and 4.3 million acres of Bureau of Land Management lands. In addition, mineral briefing reports are prepared for each Congressional wilderness bill and are provided to Congress and land managing agencies.

The Bureau of Mines and U.S. Geological Survey are working jointly with the Bureau of Land Management and the Forest Service to determine the requirements for minerals surveys on public lands and to identify the necessary level of effort.

Problem: The Federal Land Policy and Management Act (FLPMA) of 1976, P.L. 94-579, specifically requires the Secretary of the Interior to report his wilderness suitability recommendations to the President on all Bureau of Land Management Wilderness Study Areas by October 21, 1991, and that any recommendation for suitability be accompanied by a mineral survey conducted by the Bureau of Mines and the U.S. Geological Survey. In order to meet this mandated deadline, joint Bureau/Survey reports must be completed by the end of FY 1990. For Forest Service lands, the Department of Agriculture is required to have the best available minerals information reflected in forest management plans by both National Forest Management Act (NFMA) of 1976, P.L. 94-588, and the National Forest System Land and Resource Management Planning Regulations, 36 CFR 219.22, which call for site-specific information to be reflected in land management decisions affecting roadless areas. Both FLPMA and the Wilderness Act of 1964, P.L. 88-577, require recurring mineral surveys of wilderness areas to be done by the Bureau of Mines and the U.S. Geological Survey.

Related Bureau of Mines Activities: The evaluation of more than 8,000 rock samples annually requires accurate analysis of elemental and mineral constituents. Approximately 35,000 separate analyses of these samples are performed at the Bureau's Reno Research Center.

In addition, the Minerals Industry Location System, a part of the Minerals Availability System, provides geographic and other identifying information on mineral deposits, mines, and processing plants. All of this information is available to industry and the public.

Program:

- Bureau of Land Management Surveys

  Progress in FY 1986 and Prior Years:

  Since 1984, the Bureau has initiated mineral surveys on approximately 6.9 million acres of Wilderness Study Areas preliminarily recommended as suitable for wilderness by the Bureau of Land Management. In the same period, Bureau open-file reports covering 4.6 million acres and joint Bureau of Mines/U.S. Geological Survey reports covering approximately 4.5 million acres will have been published.

  Proposed Work in FY 1987:

  Surveys will begin on approximatley 500,000 acres of Bureau of Land Management Wilderness Study Areas, with an estimated 100,000 acres in Utah and the remaining acreage scattered throughout 9 other western States (Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, and Wyoming). In addition, mineral surveys already underway will continue, Bureau open-file reports will be completed on approximately 2.3 million acres and information will be provided to the U.S. Geological Survey for incorporation into joint reports. All mineral surveys with a deadline of 1989 are on schedule.

	Scheduled Workload (Million of acres)		
Bureau of Land Management	FY 85	FY 86	FY 87
New starts	2.3	2.3	.5*
2nd year field	.5	.5	.5
Total field survey	2.8	2.8	1.0
Reports	1.9	2.3	2.3
Total under study	4.7	5.1	3.3

*The U.S. Geological Survey schedule of 0.8 million acres new starts includes 0.3 million acres already started by the Bureau prior to 1987.

- Forest Service Lands

  Progress in FY 1986 and Prior Years:

  - Forest Service Mineral Surveys. In May 1984, the Forest Service provided the Department of the Interior a year-by-year prioritized list of 450 RARE II roadless areas in 25 States and requested that mineral resource assessments be performed.

Since FY 1984, the Bureau of Mines has completed reports on 1.7 million acres of Forest Service lands of which 500,000 acres were lands in Colorado and New Mexico, 700,000 acres were in the River of No Return Wilderness in Idaho, and 500,000 acres were in other roadless areas.

Due to enactment of several state wilderness bills, the Forest Service priorities were revised in 1985. The Bureau is currently studying 600,000 acres of roadless areas in Idaho, Montana and Nevada that are within priority nacional forests.

- Automation of Mineral Land Assessment Data. Since the beginning of the data automation project, about 40,000 sample locations have been automated for about 220 wilderness areas. The results of approximately 1 million chemical analyses have been entered into the automated system. (The development of a procedural design for the automation of land assessment data was completed in FY 1985. The activity was then transferred to Mineral Land Assessment from Technical and Economic Policy Analysis to be implemented at the appropriate level in FY 1986.)

Proposed Work in FY 1987:

- Forest Service Mineral Surveys. The Bureau will complete reports on approximately 300,000 acres of Forest Service roadless areas and continue field work on about 100,000 acres started in FY 1986. The Bureau of Mines, U.S. Geological Survey, and Forest Service are currently developing a coordinated plan to meet the needs and priorities for mineral resources information on national forest lands. Areas designated as wilderness under future state bills but not previously investigated will be assessed on a priority basis.

- Automation of Mineral Land Assessment Data. Future plans call for data to be entered from on-going and previously completed Mineral Land Assessment studies. Previously entered data is planned to be evaluated for specific strategic and critical minerals information to aid in future Mineral Land Assessment projects.

Forest Service	Scheduled Workload (Million of acres) FY 85	FY 86	FY 87
New starts	.3	.3	To be determined with Forest Service.
2nd year field	.1	.1	.1
Total field survey	.4	.4	.1
Reports	.2	.3	.3
Total under study	.6	.7	.4

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Program Decrease:

Land Assessment

Mineral Surveys on Public Lands

FY 1987 Decrease:	-$1,373,000 - 8 FTE-T

The decrease in funding within the Mineral Surveys on Public Lands program element results primarily from substantial completion of mineral surveys on Bureau of Land Management wilderness study areas. In addition, the automation of mineral land assessment data project will continue at a minimum level.

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Mineral Investigations

FY 1986 Adj. Approp.:	$2,502,000
FY 1987 Estimate:	$2,204,000

Overview: The Mineral Investigations program is primarily comprised of three activities; (1) mining district studies in Alaska, (2) site-specific investigations on Federal land to identify strategic and critical minerals in Alaska as well as the contiguous forty-eight states, and (3) review of draft environmental impact statements for proposed Federal construction projects to determine if mineral issues have been adequately addressed. Performance of these mineral investigations is in line with the Bureau's mission to help assure adequacy of domestic mineral supplies.

Because the mineral endowment of Alaska is not well-defined but is likely to be large, the Senate Appropriations Committee in FY 1985 directed the Bureau of Mines to develop a long-term plan to guide its minerals engineering and economic evaluation activities in Alaska. The Bureau's plan, developed in cooperation with the U.S. Geological Survey, proposes a systematic examination of Federal lands within Alaska mining districts with the greatest mineral potential, followed by site-specific evaluations when significant minerals presence has been established. The objective of this program is to estimate the mineral endowment of Alaska and the potential for economic development by private enterprise.

Problem: The President's April 1982 National Materials and Minerals Program Plan and Report to Congress emphasized a need to focus attention "on those specific mineral availability and processing problems that are posed to our economy and our national security by dependence on insecure sources where useable substitutes are not readily available." In addition, P.L. 96-487, the Alaska National Interest Lands Act, mandates minerals surveys on all public lands in Alaska.

Related Bureau of Mines Activities: The Bureau site-specific examinations of mineral resources are closely allied to the Minerals and Materials Research program which receives bulk samples from the Mineral Investigations program. These bulk samples are tested to determine problems and solutions in ore separation and utilization and to develop process flow charts for feasibility studies.

Program:

o Site-specific Mineral Investigations

Progress in FY 1986 and Prior Years:

- Mining District Studies. The Juneau Mining District study, a 4 year effort, was begun in FY 1985 in the Porcupine subdistrict. In addition, the Bureau started an investigation of the Goodnews Bay Mining District in western Alaska in FY 1985.

- Site-specific Studies. From FY 1984 through FY 1986, 30 reports were completed primarily on strategic and critical minerals; 28 sites were in Alaska, 1 site in Idaho, and 1 site in Tennessee. The principle commodities evaluated and the number of reports for each were: platinum-group metals (8), chromite (7), cobalt (6), columbium/niobium (2), base metals (2), rare earth elements (1), and tungsten (1). Significant resources were identified: chromite in the Western Brooks Range in northwest Alaska, massive metallic sulfides at Mount Henry Clay in southeast Alaska, and niobium in gold placers at Tofty in central Alaska.

  In FY 1986, the Bureau is evaluating the results of its mineral surveys completed during the past 20 years. During this period, the Bureau has examined over 50 million acres of Forest Service, Bureau of Land Management, and Department of the Interior lands, of which more than 90 percent are in the lower 48 states. Approximately 800 areas, for example, have been surveyed for the Forest Service, some of which have the potential to add significant amounts to domestic mineral supplies. A ranked listing of the areas having the highest potential for minerals is being developed, and planning for site-specific studies of these areas is being initiated. There are three compelling reasons to undertake this work: (1) analytical capabilities have advanced so that the presence of some elements previously not detectable can now be analyzed; (2) advances in ore dressing and other metallurgical technology permit treating of mineralized materials not previously considered ore as well as an understanding of by-product relationships of commercial importance not previously recognized; and (3) changes in economics affecting the priorities of materials sought.

Proposed Work in FY 1987:

- Mining District Studies. The studies of the Juneau Mining District and the Goodnews Bay District in Alaska will be continued.

- Site-specific Studies. Site-specific investigations will be undertaken on 5 sites having high probability of containing significant resources of strategic and critical minerals, with focus primarily on Federal lands in Alaska.

o Environmental Study Documents

Progress in FY 1986 and Prior Years:

The Bureau reviewed and provided commentary on mineral issues for an average of more than 1,300 documents annually for FY 1984, FY 1985, and FY 1986. This activity also supports requests for minerals information for other agencies, Congress, and the public.

Proposed Work in FY 1987:

The level of services required remains at approximately 1,300 documents annually.

Program Decrease:

Land Assessment

Mineral Investigations

FY 1987 Decrease: -$420,000
- 4 FTE-T

This decrease will be accomplished by stretching out the schedule for completing the site-specific studies of the Federal areas having the highest potential for strategic and critical or other important minerals. These areas were identified in an analysis of previously completed mineral surveys.

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SUBACTIVITY DECREASE FOR FY 1987

The decreases for Mineral Data Analysis are in one program area and two program elements.

(Dollar Amounts in Thousands)

		FY 1987 Base	FY 1987 Estimate	Decrease
Land Assessment				
Mineral Surveys on Public Lands	$ (FTE-T)	4,926 (105)	3,553 (97)	-1,373 (-8)
Mineral Investigations	$ (FTE-T)	2,624 (39)	2,204 (35)	-420 (-4)

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the 1,793,000 decrease for the subactivity is as follows:

	FTE	Amount
Personnel Compensation	12	$ 360,000
Personnel Benefits		40,000
Other Services		1,393,000
Total		$1,793,000

Activity Summary
(Dollars in Thousands)

Activity: Mineral Institutes

Subactivity	FY 1985 Actual (B. A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) or Dec.(-) 1987 Est. over 1987 Base
Mineral Institutes	7,842	7,950	7,612	7,950	...	-7,950

Justification of Program and Performance

Activity: Mineral Institutes

(Dollar Amounts in Thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Allotment Grants	$	4,621	4,425	4,621	...	-4,621
	(FTE-T)	(...)	(...)	(...)	(...)	(...)
Research Grants	$	2,981	2,854	2,981	...	-2,981
	(FTE-T)	(...)	(...)	(...)	(...)	(...)
Administration	$	348	333	348	...	- 348
	(FTE-T)	(...)	(...)	(...)	(...)	(...)
Total Requirements	$	7,950	7,612	7,950	...	-7,950
	(FTE-T)	(...)	(...)	(...)	(...)	(...)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Mineral Institutes	$7,950	$-338	$7,612

As a result of the $338,000 P.L. 99-177 reduction, funding of allotment grants to the 31 Mineral Institutes will be reduced from $149,000 to about $142,000 per institute. Total funds available for funding of research grants will be reduced as will the funds for administration.

ACTIVITY OVERVIEW

Allotment grants are made to colleges and universities to support basic research and education in the mineral sciences and engineering. In order to encourage State participation these allotment grants must be matched by non-Federal funds. Presently, 31 States have a graduate college or university designated as eligible to receive allotment funds. The 31 mineral institutes are:

1. University of Alabama
2. University of Alaska - Fairbanks
3. Universitv of Arizona
4. University of California - Berkeley
5. Colorado School of Mines
6. Georgia Institute of Technology

7. University of Idaho
8. Southern Illinois University
9. Purdue University
10. Iowa State University
11. University of Kentucky
12. Louisiana State University
13. Massachusetts Institute of Technology
14. Michigan Technological University
15. University of Minnesota
16. University of Mississippi
17. University of Missouri - Rolla
18. Montana College of Mineral Science and Technology
19. University of Nevada - Reno
20. New Mexico Institute of Mining and Technology
21. University of North Dakota
22. Ohio State University
23. University of Oklahoma
24. Pennsylvania State University
25. South Dakota School of Mines
26. University of Texas
27. University of Utah
28. Virginia Polytechnic Institute and State University
29. University of Washington
30. West Virginia University
31. University of Wyoming.

In addition, competitive research grants are made in 5 generic mineral technology areas in support of research of broad applicability to the mineral sector of the economy. All 31 mineral institutes openly compete for awards. The 5 generic areas and institutions currently conducting research are:

Lead Institution	Affiliates	Generic Area
Virginia Polytechnic Institute and State University	University of Alabama University of Alaska - Fairbanks University of Idaho Southern Illinois University University of Kentucky University of Nevada - Reno	Mine Systems Design and Ground Control
University of Utah	University of Minnesota University of California - Berkeley Colorado School of Mines Michigan Technological University New Mexico Institute of Mining and Technology Pennsylvania State University	Comminution

Lead Institution	Affiliates	Generic Area
University of Nevada - Reno	University of Idaho Montana College of Mineral Science and Technology New Mexico Institute of Mining and Technology South Dakota School of Mines and Technology	Mineral Industry Waste Treatment and Recovery
University of Missouri - Rolla	Massachusetts Institute of Technology Ohio State University Purdue University University of Utah	Pyrometallurgy
Pennsylvania State University and West Virginia University	Massachusetts Institute of Technology University of Minnesota	Respirable Dust

The mineral institute program was initiated to provide seed money to encourage the development of mineral-related government/industry/university research and graduate education programs at selected State colleges and universities. The States have responded and the programs are in place. The majority of the support at these schools comes from non-Federal sources. Accordingly, this program is no longer an appropriate use of Federal funds.

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ALLOTMENT GRANTS

FY 1986 Adj. Approp.: $4,425,000
FY 1987 Estimate: ...

Authorization: 30 U.S.C. 1221 as extended through 1989 and modified by Public Law 98-409.

Objective: To encourage graduate-level research on national and regional problems in mineral engineering at colleges and universities and to train qualified mineral scientists and engineers.

Overview: Funds are used to provide an annual allotment grant to each of 31 universities to help support mineral-related research and education. Pursuant to Public Law 98-409, grants made in FY 1985 and 1986 must be matched 150 percent by non-Federal funding and thereafter matching must be on a 2-to-1 basis. Among the uses of such funds are: scholarships and fellowships; purchase of scientific equipment and books; salaries of visiting scholars, professors, technicians and assistants; travel by faculty and/or students to professional meetings, mine sites, or field trips; cooperation with mineral-related State agencies or academic institutions on mineral problems of mutual interest; scientific and engineering studies of mineral problems of importance to the State and region.

Related Bureau of Mines Activities: In the pursuit of its mission, the Bureau of Mines contracts with universities to obtain information or investigate mineral-related problems. These contracts supplement and further support mineral engineering research at the particular institution involved.

Program:

- Allotment Grants

  Progress in FY 1986 and Prior Years: In FY 1985 allotment grants of $147,000 each to 31 colleges and universities (matched on a 3 to 2 basis by non-Federal funds) were made to support programs of mineral-related research and education. In FY 1986, new allotment grants (matched on 3 to 2 basis) will be made to each of the 31 mineral institutes and funds from previous years allotments will continue to be available for use of the 31 mineral institutes.

  Proposed Work in FY 1987: Funds from grants made in FY 1986 will be available to support mineral institute activities through the 1986-87 academic year. No new grants are proposed for the 1987-88 academic year because State and private resources are adequate to continue the program at an appropriate level.

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Program Decrease:

Allotment Grants

FY 1987 Decrease: $ -4,621,000
... FTE-T

Federal support for the mineral institutes program will be terminated. Funds from grants made in FY 1986 will be available to support mineral institute activities through the 1986-87 academic year. No new grants are proposed for the 1987-88 academic year because Federal funding for these grants does not now have the priority that it had a decade ago.

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RESEARCH GRANTS

FY 1986 Adj. Approp.: $2,854,000
FY 1987 Estimate: ...

Authorization: 30 U.S.C. 1222 as extended through 1989 by Public Law 98-409.

Objective: To encourage government/industry/university research on national and regional problems in areas of broad applicability across the minerals industry and to facilitate industry-State-Federal cooperation in solving mineral engineering problems.

Overview: Funds are awarded to further support research in five generic areas of mineral technology which focus on the selected research problems: respirable dust, pyrometallurgy, comminution, mine systems design and ground control, and mineral industry waste treatment and recovery. Proposals from all 31 mineral institutes are considered in open competition.

Related Bureau of Mines Activities: Research in the mineral technology areas is coordinated with ongoing research at the Bureau of Mines and with that in industry through advisory councils made up of prominent scientists and engineers from industry, academia, and the Bureau of Mines. Funds appropriated in FY 1985 and 1986 to the Health and Safety Technology program are being used to support the Generic Mineral Technology Center in Respirable Dust.

Program:

o Research Grants

Progress in FY 1986 and Prior Years: After analyses by the Bureau of Mines, research grants of approximately $4.4 million in respirable dust and $13.0 million divided nearly equally among the remaining four generic technology areas have been made through 1985. New awards for highest priority research problems expected in FY 1986 will be selected on the basis of open competition from all 31 of the mineral institutes in the five generic technology areas.

Proposed Work in FY 1987: Research with funds awarded in previous fiscal years will continue in the five generic areas of research. No new grants are proposed for the 1987-88 academic year because the generic research centers should be supported by industry as it is the primary beneficiary.

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Program Decrease:

Research Grants

FY 1987 Decrease: $ -2,981,000
... FTE-T

Federal grants will be terminated. Grants awarded in FY 1986 will continue to support research efforts in the five generic minerals technology areas (mine systems design and ground control; comminution; mineral industry waste treatment and recovery; pyrometallurgy; and respirable dust) through FY 1988. As Federal grant funds are expended, the generic research centers and their affiliates should attract adequate continuing industrial and State support.

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ADMINISTRATION

FY 1986 Adj. Approp.: $333,000
FY 1987 Estimate: ...

Authorization: 30 U.S.C. 1222 as extended through 1989 by Public Law 98-409.

Objective: To ensure efficient administration of government/industry/university research on national and regional problems of highest priority across the minerals industry.

Overview: The Office of Mineral Institutes monitors research projects in place and provides for the selection of new projects with the aid of research advisory councils consisting of experts from industry, academia, and government. This office also provides support for the deliberations of the Advisory Committee on Mining and Mineral Research, mandated by Public Law 98-409, which makes recommendations to the Secretary on mining and mineral resources research and prepares an annual national plan for research in mining and mineral resources to be submitted to the Secretary, the President, and the Congress.

Related Bureau of Mines Activities: The technical staff in the Washington Office and the Division of Finance provide similar aid in selecting and monitoring Bureau of Mines internal research.

Program:

- Administration

  Progress in FY 1986 and Prior Years: The review of proposals and the evaluation and monitoring of ongoing mineral institutes research and activities is continuing. The Advisory Committee on Mining and Mineral Research has met several times each year to provide advice on the conduct of the program, to approve the making of grants, and to prepare the annual national plan for research in mining and mineral resources.

  Proposed Work in FY 1987: Monitoring of ongoing research projects will continue as will support for the Advisory Committee on Mining and Mineral Research in its tasks. No new grants will be made.

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Program Decrease:

Administration

FY 1987 Decrease: $-348,000
... FTE-T

The Bureau of Mines will provide appropriate support for monitoring grants not yet completed and for the activities of the Advisory Committee on Mining and Mineral Research.

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OBJECT CLASSIFICATION DISTRIBUTION

The object class detail for the $7,950,000 decrease for Mineral Institutes is:

		Amount
Other services		$ 348,000
Grants		$7,602,000
	Total	$7,950,000

Activity Summary
(Dollars in Thousands)

Activity: General Administration

Subactivity	FY 1985 Actual (B. A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) or Dec.(-) 1987 Est. over 1987 Base
General Administration	20,160	18,607	17,815	19,350	19,350	...

Justification of Program and Performance

Activity: General Administration

(Dollar Amounts in Thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
Executive Direction	$	1,787	1,711	1,753	1,753	...
	(FTE-T)	(38)	(38)	(37)	(37)	(...)
Office of the Director	$	308	295	308	308	...
Senior Advisory Staff	$	388	371	388	388	...
Congressional Liaison	$	183	175	183	183	...
Technical Information	$	517	496	483	483	...
Equal Employment Opportunity	$	391	374	391	391	...
Finance & Management	$	16,820	16,104	17,597	17,597	...
	(FTE-T)	(232)	(232)	(237)	(237)	(...)
Finance & Management Direction	$	315	302	315	315	...
Personnel	$	1,405	1,345	1,405	1,405	...
Finance	$	1,487	1,424	1,409	1,409	...
Budget	$	285	273	285	285	...
Management Analysis	$	364	349	364	364	...
Automatic Data Processing	$	1,757	1,682	2,354	2,354	...
Publication	$	1,719	1,646	1,719	1,719	...
Procurement	$	1,713	1,640	1,653	1,653	...
Property	$	2,674	2,560	2,654	2,654	...
Safety Management	$	133	127	133	133	...
General Services	$	4,968	4,756	5,306	5,306	...
Total Requirements	$	18,607	17,815	19,350	19,350	...
	(FTE-T)	(270)	(270)	(274)	(274)	(...)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
General Administration	$	18,607	-792	17,815

As a result of the $792,000 P.L. 99-177 reduction, vacancies will be refilled at a slower rate than normal, travel and training will be reduced, and equipment purchases will be deferred.

ACTIVITY OVERVIEW

The General Administration activity includes two elements: Executive Direction, and Finance and Management. Executive Direction includes the Director of the Bureau and associated staff advisors and offices. Finance and Management includes the administrative functions of personnel, budget, finance, management analysis, automatic data processing, procurement, property, and safety management, plus the Bureau's publication support division. These two elements provide leadership and administrative support for all the Bureau's minerals research and information programs.

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EXECUTIVE DIRECTION

Authorization: 30 U.S.C. 1-11

Objectives: To provide leadership, direction, policy and program guidance, and management coordination of all Bureau programs to meet Congressionally mandated responsibilities in minerals research and development, and data gathering and analysis.

Program: Executive Direction consists of the following components:

Office of the Director. The Director is responsible to the Assistant Secretary--Water and Science and is responsible for overall guidance, supervision and direction of the Bureau of Mines. The Director is responsible for program objectives, organizational structure, budget and selection of personnel. The Director is assisted in these responsibilities by the Deputy Director, Assistant Directors and various staff offices.

Senior Advisory Staff. This staff advises and consults with the Director on an extensive range of scientific, engineering, and technical matters related to Bureau responsibilities. Also, the Chief Staff Officer maintains the Department's Emergency Minerals Administration and advises senior Federal officials on the Defense Production and Stock Piling Acts.

Congressional Liaison. The Office of Congressional Liaison interprets and represents the Bureau's technical and information programs to individual Members and Committees of Congress. The Office maintains a close relationship with the Office of the Secretary regarding congressional contacts.

Technical Information. The Office of Technical Information develops and directs programs through which the Bureau disseminates information; establishes publication policy and monitors conformance to it; reviews all manuscripts proposed for presentation, publication, or open-filing; manages technology transfer activities; supervises headquarters graphics services; responds to Freedom-of-Information-Act requests; and replies to press and public inquiries.

The Office provides a variety of services in support of Bureau programs and Director's office. In FY 1985, for example, the Office:

- Planned and conducted ten technology-transfer events to move research results into industry practice.
- Issued 22 Technology News newsletters apprising industry of new technology developments
- Responded to 30 Freedom-of-Information-Act requests.
- Reviewed 613 Bureau manuscripts and contractors' reports for quality and conformance to official policy.
- Responded to more than 4,200 public and press inquiries.

Equal Employment Opportunity. The Office of Equal Employment Opportunity (EEO) is authorized by various laws, including Title VII of the Civil Rights Act of 1964, and four Executive Orders. Its responsibilities include implementation of affirmative action, evaluation of EEO programs, processing and adjudication of complaints, and development of special emphasis programs.

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FINANCE AND MANAGEMENT

Authorization: 30 U.S.C. 1-11

Objectives: To assist the Director in carrying out Bureau missions, monitoring Bureau programs, and managing the administrative policies and programs of the Bureau.

Program: Finance and Management consists of the following components:

Finance and Management Direction. The Assistant Director--Finance and Management provides overall direction and management for the Bureau's administrative support program.

Personnel. The Division of Personnel develops, recommends, and implements personnel management policies for the Bureau. It provides personnel advice and services to headquarters and field organizations and evaluates the effectiveness of human resource management in the Bureau.

Finance. The Division of Finance recommends and implements financial management policies, procedures, and standards relating to financial management. The Division produces the Bureau's financial regulatory reports for submission to the Department, OMB and the U.S. Treasury and also provides a broad range of financial services to the Bureau's headquarters and field offices, including operating an automated accounting system.

Budget. The Budget Division prepares and analyses the Bureau's budget and schedules the budget's execution. It provides advice and recommendations on the allocation and use of budgetary resources.

Management Analysis. The Management Analysis Staff conducts studies to improve management practices, coordinates internal control reviews, and assists the Director in defining goals and objectives for the Bureau.

Automatic Data Processing. The Division of Automatic Data Processing provides data processing services to all Bureau programs. Support is provided to automated management and administrative systems, mineral information systems, the minerals availability system, and scientific research efforts. The Division evaluates Bureau automatic data processing activities and administers a security program for safeguarding automatic data processing materials.

Publication. The Bureau prepares reports on the results of its scientific, technical, statistical, and economic research. The Division of Publication coordinates this effort and provides guidance to Bureau authors on manuscript and graphic preparation. It reviews, edits, and prepares for printing all Bureau publications. These publications include all scientific, technical, and economic reports; the Minerals Yearbook; and mineral commodity summaries and profiles. The Division distributes Bureau publications and provides graphics services.

In FY 1985, the Division:

- Edited 669 manuscripts.
- Published and distributed 425 reports, including the three volume 1983 Minerals Yearbook.
- Placed 243 reports with the National Technical Information Service (NTIS).
- Processed 23,400 requests for publications.
- Booked 21,800 film showings.
- Completed 726 drafting jobs.

Procurement. The Division of Procurement provides major acquisition support services to all Bureau programs, including solicitation, negotiation, award, and administration of contracts. The Division directs efforts to meet goals for socioeconomic programs including small, disadvantaged, and labor surplus area businesses. The Division also resolves contract disputes and cooperates with the Office of the Solicitor in defending against protests, appeals or court actions arising out of procurement matters.

Property. The Property and General Services Division develops, recommends, and implements policies and procedures for real property, personal property, energy management, telecommunications management, records management, and motor vehicle management programs; reviews, and approves plans and specifications for alterations and construction of buildings; determines space and furnishings standards; manages and controls imprest fund operations; processes applications for inventions and patents; maintains liaison with GSA; handles tort claims; and provides for Headquarters library, mail and correspondence control functions, and Privacy Act matters. The Division manages approximately 32,500 items of personal property worth over $79 million, real property valued at over $71 million, and 554 items of Government property in the hands of contractors valued at over $54 million.

Safety Management. The Safety Management staff administers a variety of bureauwide safety and environmental health programs designed to prevent accidents that result in injury, illness, and/or property damage. Among its activities the staff provides technical assistance in safety and health matters to all Bureau programs in approximately 450 cases each year.

General Services. The General Services element funds support services for all Bureau programs. Specific bureauwide and headquarters services include:

- Postal, telephone, and employee compensation payments.
- Payments to the General Services Administration for the General Administration portion of the Standard Level User Charge (SLUC).
- Headquarters services including mail and messenger, duplicating and distribution, and other miscellaneous support services.

Bureau of Mines

Summary of Requirements by Object Class

(Dollar amounts in thousands)

Appropriation: Mines and Minerals		1987 Base		1987 Estimate		Inc. (+) or Dec. (-)	
		FTE	Amount	FTE	Amount	FTE	Amount
Object Class							
11.	Personnel compensation.						
11.1	Permanent positions - FTE-P	1,877	63,785	1,773	59,209	-104	-4,576
11.3	Positions other than permanent	196	2,483	182	2,302	- 14	- 181
11.5	Other personnel compensation	11	528	11	528	...	...
	Total personnel compensation	2,084	66,796	1,966	62,039	-118	-4,757
	Other Objects						
12.1	Personnel benefits		9,332		8,679		-653
13.0	Benefits for former personnel		72		72		...
21.0	Travel and transportation of persons.		2,300		2,300		...
22.0	Transportation of things		728		728		...
23.1	Standard level user charges		5,428		5,428		...
23.2	Communications, utilities, and other rent		5,029		5,029		...
24.0	Printing and reproduction		790		790		...
25.0	Other services		27,598		12,627		-14,971
26.0	Supplies and materials		5,251		5,251		...
31.0	Equipment		4,159		4,159		...
41.0	Grants, subsidies and contributions .		7,602		...		-7,602
	Total obligations		135,085		107,102		-27,983

Department of the Interior
Bureau of Mines
Mines and Minerals

Program and Financing (in thousands of dollars)

Identification code 14-0959-0-1-306		1985 act.	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
	Minerals research:			
00.0101	Health and safety technology ..	34,925	34,130	26,123
00.0201	Mining technology	15,183	15,708	9,744
00.0301	Minerals and materials research	31,944	34,229	25,315
	Minerals information and analysis:			
00.0501	Minerals information	11,039	10,554	9,856
00.0601	Mineral data analysis	18,494	18,421	16,714
00.0801	Mineral institutes	7,822	8,335	...
00.0901	General administration	19,866	18,642	19,350
00.9101	Total direct program	139,273	140,019	107,102
01.0101	Reimbursable program	11,238	15,000	15,000
10.0001	Total obligations	150,511	155,019	122,102
	Financing:			
11.0001	Offsetting Collections from Federal funds	(11,238)	(15,000)	(15,000)
17.0001	Recovery of prior year obligations	(1,663)	...	...
21.4001	Unobligated balance available, start of year	(8,419)	(6,582)	(2)
24.4001	Unobligated balance available, end of year	6,582	2	...
25.0001	Unobligated balance lapsing	186	10	...
39.0001	Budget authority	135,959	133,449	107,100
	Budget authority:			
40.0001	Appropriation	135,959	134,255	107,100
40.0002	Reduction pursuant to P.L. 99-190 ..	...	(806)	...
43.0001	Appropriation (adjusted)	135,959	133,449	107,100

	Relation of obligations to outlays:			
71.0001	Obligations incurred, net	139,273	140,019	107,102
72.4001	Obligated balance, start of year ...	59,825	47,670	37,973
74.4001	Obligated balance, end of year	(47,670)	(37,973)	(30,257)
77.0001	Adjustments in expired accounts	(569)	...	...
78.0001	Adjustments in unexpired accounts ..	(1,663)	...	...
90.0001	Outlays	149,197	149,716	114,818

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(In thousands of dollars)

	1985 act.	1986 est.	1987 est.
Enacted/Requested:			
Budget authority	135,959	133,449	107,100
Outlays	149,197	149,716	114,818
Reduction pursuant to P.L. 99-177:			
Budget authority	...	(5,738)	...
Outlays	...	(3,884)	(1,854)
Total:			
Budget authority	135,959	127,711	107,100
Outlays	149,197	145,832	112,964

Object Classification (in thousands of dollars)

Identification code 14-0959-0-1-306		1985 act.	1986 est.	1987 est.
	BUREAU OF MINES			
	Direct obligations:			
	Personnel compensation:			
11.101	Full-time permanent	64,359	63,877	59,209
11.301	Other than full-time permanent	2,502	2,483	2,302
11.501	Other personnel compensation	574	570	528
11.901	Total personnel compensation	67,435	66,930	62,039
12.101	Personnel benefits: Civilian	9,434	9,363	8,679
13.010	Benefits for former personnel	72	72	72
21.001	Travel & transportation of persons ..	2,074	2,368	2,300
22.001	Transportation of things	728	728	728
23.101	Standard level user charges..........	4,729	4,799	5,428
23.201	Communications, utilities, and other rent	5,029	5,029	5,029
24.001	Printing and reproduction	790	790	790
25.001	Other services.......................	30,504	32,926	12,627
26.001	Supplies and materials	5,251	5,251	5,251
31.001	Equipment	4,159	4,159	4,159
32.001	Lands and structures.................	103	...	...
41.001	Grants,subsidies & contributions	8,962	7,604	...
42.001	Insurance claims and indemnities	3	...	...

99.001	Subtotal, direct obligations	139,273	140,019	107,102
99.001	Reimbursable obligations	11,238	15,000	15,000
99.901	Total obligations	150,511	155,019	122,102

Personnel Summary

Direct:			
Total number of full-time permanent positions	2,140	2,140	2,015
Total compensable workyears:			
Full-time equivalent employment	2,137	2,096	1,966
Full-time equivalent of overtime and holiday hours	11	11	11
Reimbursable:			
Total number of full-time permanent positions	75	75	75
Total compensable workyears:			
Full-time equivalent employment	67	65	65
Full-time equivalent of overtime and holiday hours	2	2	2

HELIUM FUND

Summary Statement

The Helium Act Amendments of 1960, Public Law 86-777 (50 U.S.C. 167), authorized activities necessary to provide sufficient helium to meet the current and foreseeable future needs of essential Government activities. The program includes production, conservation, sale, and distribution of helium and involves the management of helium program facilities and resources to:

a. Provide helium to meet current demands of all Federal agencies.

b. Provide helium to meet the foreseeable future helium requirements of essential Government programs.

c. Conduct investigations and evaluations to improve the helium program.

BUREAU OF MINES

HELIUM FUND

Program and Financing (in thousands of dollars)

Identification code 14-4053-0-3-306	1985 actual	1986 est.	1987 est.
Program by activities:			
Operating program:			
00.0101 Production and sales	9,405	10,298	14,163
00.0201 Transmission and storage operations	682	835	857
00.0301 Administrative and other expenses ..	759	700	760
00.9101 Total operating program	10,846	11,833	15,780
Capital investment:			
02.0101 Land, structures, and equipment	3,428	4,035	3,876
10.0001 Total obligations	14,274	15,868	19,656
Financing:			
Offsetting collections from:			
11.0001 Federal funds	-14,754	-14,575	-17,314
14.0001 Non-Federal sources	-6,475	-2,400	-2,836
17.0001 Recovery of prior year obligations .	-298	...	...
21.9801 Unobligated balance available, start of year: Fund balance	-13,767	-17,020	-16,127
24.9801 Unobligated balance available, end of year: Fund balance	17,020	16,127	14,621
27.0001 Capital transfer to general fund ...	4,000	2,000	2,000
39.0001 Budget authority	...	...	...
Relation of obligations to outlays:			
71.0001 Obligations incurred, net...........	-6,954	-1,107	-494
72.9801 Obligated balance, start of year....	2,521	-99	-99
74.9801 Obligated balance, end of year......	99	99	-401
78.0001 Adjustments in unexpired accounts...	-298	...	...
90.0001 Outlays	-4,632	-1,107	-994

Revenue and Expense (in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Sales program:			
Revenue	21,275	16,825	20,000
Expense	-23,843	-24,741	-29,500
Net operating income or loss (-), sales program	-2,568	-7,916	-9,500
Nonoperating income or loss (-):			
Proceeds from sale of equipment	252	150	150
Net book value of assets sold	-1,216	-50	-50
Net income or loss (-) for the year	-3,532	-7,816	-9,400

Financial Condition (in thousands of dollars)

	1984 act.	1985 act.	1986 est.	1987 est.
Assets:				
Selected assets:				
Fund balance with Treasury	16,289	16,921	16,028	15,022
Accounts receivable, net	2,890	4,193	4,193	4,193
Inventories	832,674	881,608	936,165	996,121
Real property and equipment, net	26,724	24,554	26,159	27,418
Other assets, net	1,545	1,953	1,953	1,953
Total assets	880,122	929,229	984,498	1,044,707
Liabilities:				
Selected liabilities:				
Accounts payable and funded accrued liabilities	4,408	985	985	1,485
Advances received	347	732	732	732
Unfunded liabilities:				
Accrued annual leave	572	556	556	556
Debt issued under borrowing authority:				
Borrowing from Treasury	251,650	251,650	251,650	251,650
Net worth	27,000	23,000	21,000	19,000
Interest due on net worth	67,802	74,762	82,254	90,371
Interest due on borrowing	388,911	441,567	499,160	562,152
Total liabilities	740,690	793,252	856,337	925,946
Government equity:				
Selected equities:				
Unexpended budget authority:				
Fund balance	13,767	17,020	16,127	14,621
Undelivered orders	1,257	2,637	2,637	2,637
Invested capital	124,408	116,320	109,397	101,503
Total Government equity	139,432	135,977	128,161	118,761

Financial Condition (in thousands of dollars)--Continued

Identification code 14-4053-0-3-306	1985 actual	1986 est.	1987 est.
Analysis of changes in Government equity:			
Paid-in capital:			
Opening balance	71,392	71,392	71,392
Closing balance	71,392	71,392	71,392
Retained income:			
Opening balance	68,040	64,585	56,769
Transactions:			
Net operating income or loss (-)	-2,568	-7,916	-9,500
Net non-operating income or loss (-)	-964	100	100
Other:			
Prior year adjustment	77	...	...
Closing balance	64,585	56,769	47,369
Total Government equity (end of period)	135,977	128,161	118,761

Object Classification (in thousands of dollars)

Identification code 14-4053-0-3-306		1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	5,928	6,459	6,804
11.3	Other than full-time permanent	104	324	62
11.5	Other personnel compensation	302	287	306
11.9	Total personnel compensation	6,334	7,070	7,172
12.1	Personnel benefits: Civilian	786	845	890
21.0	Travel and transportation of persons	95	105	113
22.0	Transportation of things	823	620	3,960
23.1	Standard level user charges	190	187	187
23.2	Rental payments to others	590	668	710
24.0	Printing and reproduction	5	10	10
25.0	Other services	1,237	1,325	2,031
26.0	Supplies and materials	1,088	1,023	1,175
31.0	Equipment	2,409	4,015	3,408
32.0	Lands and structures	717	...	...
99.0	Total obligations	14,274	15,868	19,656

Personnel Summary

	1985 actual	1986 est.	1987 est.
Total number of full-time permanent positions	221	221	221
Total compensable workyears:			
Full-time equivalent employment	214	210	210
Full-time equivalent of overtime and holiday hours	7	7	7

Contributed Funds
Summary Statement

Funds contributed by States, counties, municipalities, and private sources are used to conduct research and investigations in such areas as conservation, evaluation, and development of mineral resources and the health and safety of miners.

Program and Financing (in thousands of dollars)

Identification code 14-8287-0-7-306		1985 act.	1986 est.	1987 est.
	Program by activities:			
	Minerals research:			
00.0101	Health and safety technology	210	200	200
00.0201	Mining technology	38	200	200
00.0301	Minerals and materials research .	171	100	100
00.0401	Mineral data analysis	...	...	...
00.0501	Minerals Information.............	8	...	...
00.0901	General Administration...........	34	...	...
10.0001	Total obligations	461	500	500
	Financing:			
21.4001	Unobligated balance available, start of year	-197	-232	-232
24.4001	Unobligated balance available, end of year	232	232	232
60.0001	Budget authority (appropriation) (permanent, indefinite)	495	500	500
	Relation of obligations to outlays:			
71.0001	Obligations incurred, net	461	500	500
72.4001	Obligated balance, start of year.	197	42	9
74.4001	Obligated balance, end of year ..	- 42	- 9	- 2
90.0001	Outlays	615	533	507

Object Classification (in thousands of dollars)

Identification code 14-8287-0-7-306		1985 act.	1986 est.	1987 est.
	Personnel compensation:			
11.101	Full-time permanent	156	260	260
11.301	Other than full-time permanent ...	14	23	23
11.501	Other personnel compensation	3	5	5
11.901	Total personnel compensation ...	173	288	288
12.101	Personnel benefits: Civilian	20	33	33
21.001	Travel and transportation of persons	16	7	7
22.001	Transportation of things	1	1	1

23.201	Communications, utilities, and other rent	20	22	22
24.001	Printing and reproduction	-3	...	...
25.001	Other services	223	137	137
26.001	Supplies and materials	10	11	11
31.001	Equipment	1	1	1
99.901	Total obligations	461	500	500

Personnel Summary

Total number of full-time permanent positions	15	15	15
Total compensable workyears: Full-time equivalent employment	6	10	10

DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS PAID FROM FUNDS AVAILABLE TO THE BUREAU OF MINES

DETAIL OF PERMANENT POSITIONS

	1985 Actual	1986 Estimate	1987 Estimate
Executive level V	1	1	1
ES-6	1	1	1
ES-5	3	4	4
ES-4	8	8	8
ES-3	4	5	5
ES-2	0	1	1
ES-1	1	2	2
Subtotal	18	22	22
GS/GM-15	67	69	67
GS/GM-14	165	169	164
GS/GM-13	315	325	306
GS-12	385	400	375
GS-11	227	235	222
GS-10	26	26	25
GS-9	180	183	175
GS-8	55	62	60
GS-7	175	182	175
GS-6	120	125	118
GS-5	166	173	165
GS-4	73	76	74
GS-3	32	36	35
GS-2	11	11	11
GS-1	0	0	0
Subtotal	1,997	2,072	1,972
Ungraded	175	182	182
Total permanent positions	2,190	2,276	2,176
Unfilled positions, end-of-year	0	-76	-76
Total permanent employment, end-of-year	2,190	2,200	2,100

DEPARTMENT OF THE INTERIOR

FY 1987 Budget for Consulting Services

Bureau: Bureau of Mines

Appropriation Account Title/ Iden. Code No.	Amount Requested in 1987 ($000)	Program Requiring Services	Description of Need for Services
Mines and Minerals (14-0959-0-1-306)	100	Mines and Minerals	Provide services as needed to Bureau programs in minerals research, minerals information and analysis, and/or general administration.

Bureau of Mines

Administrative Provisions

The Secretary is authorized to accept lands, buildings, equipment, and other contributions from public and private sources and to prosecute projects in cooperation with other agencies, Federal, State, or private: *Provided*, That the Bureau of Mines is authorized, during the current fiscal year, to sell directly or through any Government agency, including corporations, any metal or mineral product that may be manufactured in pilot plants operated by the Bureau of Mines, and the proceeds of such sales shall be covered into the Treasury as miscellaneous receipts. (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

OFFICE OF SURFACE MINING
RECLAMATION AND ENFORCEMENT

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Budget Justifications, Fiscal Year 1987
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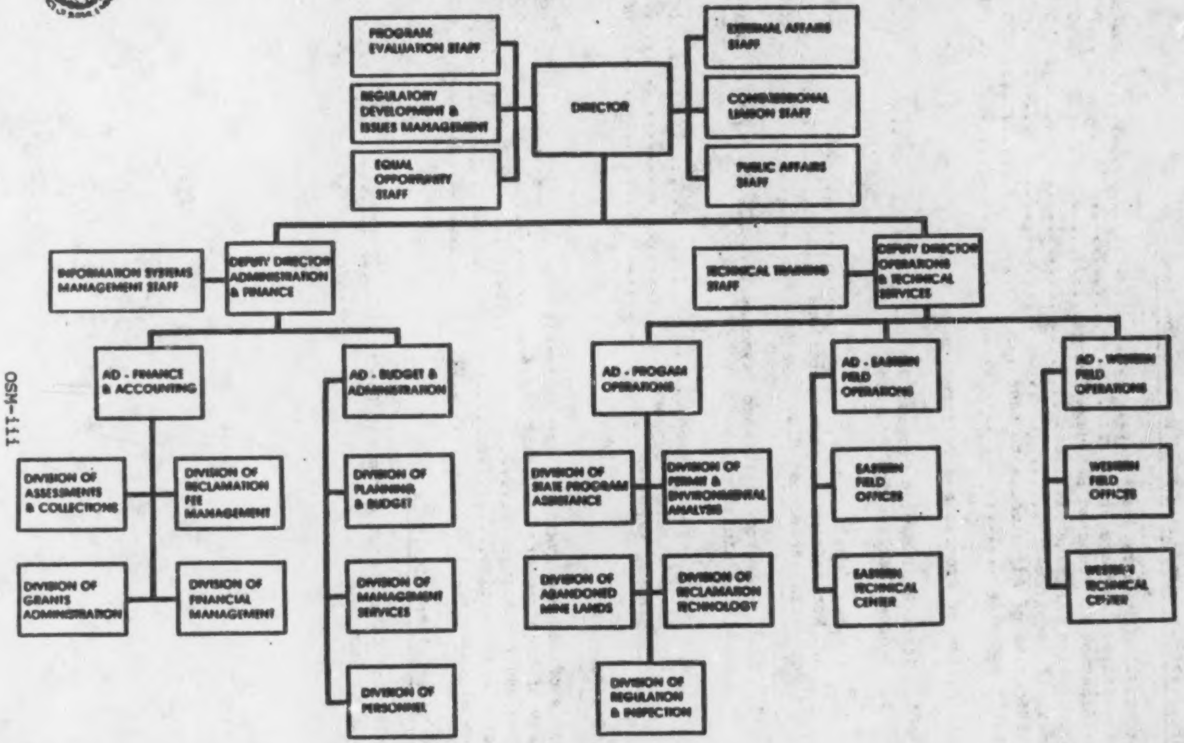
OFFICE OF SURFACE MINING RECLAMATION and ENFORCEMENT


PROGRAM EVALUATION STAFF
REGULATORY DEVELOPMENT & ISSUES MANAGEMENT
EQUAL OPPORTUNITY STAFF
DIRECTOR
EXTERNAL AFFAIRS STAFF
CONGRESSIONAL LIAISON STAFF
PUBLIC AFFAIRS STAFF
INFORMATION SYSTEMS MANAGEMENT STAFF
DEPUTY DIRECTOR ADMINISTRATION & FINANCE
TECHNICAL TRAINING STAFF
DEPUTY DIRECTOR OPERATIONS & TECHNICAL SERVICES
AD - FINANCE & ACCOUNTING
DIVISION OF ASSESSMENTS & COLLECTIONS
DIVISION OF RECLAMATION FEE MANAGEMENT
DIVISION OF GRANTS ADMINISTRATION
DIVISION OF FINANCIAL MANAGEMENT
AD - BUDGET & ADMINISTRATION
DIVISION OF PLANNING & BUDGET
DIVISION OF MANAGEMENT SERVICES
DIVISION OF PERSONNEL
AD - PROGRAM OPERATIONS
DIVISION OF STATE PROGRAM ASSISTANCE
DIVISION OF PERMIT & ENVIRONMENTAL ANALYSIS
DIVISION OF ABANDONED MINE LANDS
DIVISION OF RECLAMATION TECHNOLOGY
DIVISION OF REGULATION & INSPECTION
AD - EASTERN FIELD OPERATIONS
EASTERN FIELD OFFICES
EASTERN TECHNICAL CENTER
AD - WESTERN FIELD OPERATIONS
WESTERN FIELD OFFICES
WESTERN TECHNICAL CENTER

OSM-iii

General Statement

The Surface Mining Control and Reclamation Act (SMCRA) of 1977, Public Law 95-87, created the Office of Surface Mining Reclamation and Enforcement (OSMRE) within the Department of the Interior.

The purposes of this law include: (1) protecting society and the environment from the adverse effects of coal mining operations; and (2) reclaiming mined areas left without adequate reclamation prior to passage of the Act and which continue, in their unreclaimed condition, to degrade the quality of the environment, prevent or damage the beneficial use of land or water resources, or endanger public health or safety. The Act provides the means for restoring abandoned coal mines through collection of a tonnage-based reclamation fee assessed on current coal production. OSMRE's mandates are carried out by providing grants to States that implement regulatory and reclamation programs in accordance with OSMRE standards, and by administering and operating programs on Federal and Tribal lands and in certain States.

The following summary compares the Fiscal Year 1986 appropriations enacted to date to the Fiscal Year 1987 request:

1986 - 1987 Resource Comparisons 1/

(Dollar amounts in thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) or Dec. (-) From Enacted	OSMRE FTP Employment 12/31/85
Regulation and Technology	($)	85,142	81,502	100,880	+15,738	
	(FTE-T)	(715)	(715)	(711)	(-4)	592
Abandoned Mine Recl. Fund	($)	206,141	197,277	190,520	-15,621	
	(FTE-T)	(429)	(429)	(336)	(-93)	240
TOTAL, OSMRE	($)	291,283	278,779	291,400	+117	
	(FTE-T)	(1,144)	(1,144)	(1,047)	(-97)	832

HIGHLIGHTS OF THE FISCAL YEAR 1987 REQUEST

OSMRE's program provides distinct incentives for States to maintain and improve regulatory and reclamation program capabilities. State predominance in conducting regulatory and reclamation program operations reflects the intent of SMCRA. OSMRE's continuing regulatory initiatives, technical assistance, and extensive grant funding provide Federal policy leadership as well as management of programs in non primacy States and on Tribal lands.

1/ The FTE totals shown include those funded by the allocation to the Soil Conservation Service's Rural Abandoned Mine Program (RAMP) from the Abandoned Mine Reclamation Fund appropriation (108 FTEs in 1986; 0 FTEs in 1987). OSMRE will add 11 FTEs in Fiscal Year 1987.

The Fiscal Year 1987 budget proposal of $291.4 million is virtually identical to the level enacted for Fiscal Year 1986. Within these budgetary constraints, however, OSMRE is proposing significant initiatives that involve major reallocations of funds and personnel. These initiatives are consistent with the management action plan that is now being developed by OSMRE, which emphasizes the importance of improving State and Federal capabilities to carry out the Act's intent in the most efficient and effective manner possible.

The budget includes an increase of 22 percent for State Regulatory Program Grants, demonstrating OSMRE's commitment to provide States with the resources they need to maintain and improve their regulatory programs. A major increase in training for State and OSMRE personnel is also proposed to further support State program management, and to improve OSMRE's ability to assist States. In addition, OSMRE proposes to relocate certain operational functions and personnel to field offices and technical centers, which will increase capabilities to assist States and to manage other program functions. Finally, the budget includes increases to enhance information management systems and fee compliance auditing functions that support efforts to assess and collect civil penalties and to collect Abandoned Mine Land fees. The budget thereby reflects the Administration's commitment to the mandates set forth in SMCRA, by which the States have primary responsibility for program operations and the Federal government maintains the capabilities needed for sound program management.

Major changes from the 1986 appropriations enacted to date (i.e., prior to the P.L. 99-177 budget authority cancellations) that are proposed for specific appropriations are discussed below. The budget structure, which has been changed for this budget year, is explained in the activity/subactivity crosswalks and accompanying narrative that follow the General Statement.

Regulation and Technology

State Regulatory Program Grants

A major increase (+$8,133,000) is proposed for the 24 participating States that will have regulatory primacy status in Fiscal Year 1987. Funding for State regulatory grants has remained steady from 1984 through 1986. At the same time, State costs have increased and OSM's evaluations have identified problems in State regulatory program administration that need to be addressed. The proposed increase demonstrates OSMRE's commitment to primacy by providing States with support to maintain regulatory programs and to carry out plans for their improvement. This increase will be matched by the States in accordance with program requirements.

Federal Regulatory Programs

The Federal Regulatory Programs activity includes three subactivities: (1) Regulatory Program Operations; (2) Technical Services, Training, and Research; and (3) Assessments and Collections.

o Regulatory Program Operations: A decrease of $1,440,000 and 10 Full-time Equivalents (FTEs) is proposed. The request supports OSMRE's evaluation and assistance program for primacy States, Federally administered programs in non-primacy States and on Indian lands, and the administration of existing cooperative agreements.

Most of the decrease reflects the completion or phasing down of work in two areas. OSMRE will gradually phase down its regulatory operations in Oklahoma in 1986, consistent with its plan to return full regulatory authority to the State by the end of Fiscal Year 1986, which results in a savings (-$500,000; -9 FTEs). In addition, although the two-acre mining enforcement effort in Kentucky and Virginia will continue throughout Fiscal Year 1987, a savings will result due to non-recurring costs related to the program's commencement in 1986 (-$393,000; -1 FTE). A technical correction to the budget is also required because funding now in the base for conducting reclamation pursuant to bond forfeitures in cases where OSMRE is the regulatory authority will not be necessary, since proposed appropriations language maintains and clarifies provisions for an indefinite no year appropriation that makes receipts derived from such forfeitures available as they accrue; this allows for a reduction (-$497,000). Finally, a savings of $50,000 will be realized through implementation of OSMRE's agency wide management savings initiative. Under this initiative, organizational realignment and the decentralization of certain program functions to the field will result in cost savings since some positions, as they become vacant, are to be filled by lower graded employees.

o Technical Services, Training, and Research: The proposed increase of $2,721,000 will support a major expansion of training opportunities for State and Federal personnel. Training will address major areas of program implementation, and will reflect curricula jointly developed by OSMRE and the States, with assistance from industry, environmental groups, and other interested parties. This will greatly enhance State abilities to carry out SMCRA, and improve OSMRE's efforts to provide States with effective technical support. Other components of this subactivity, which includes mine plan review and part of OSMRE's research effort, will be maintained at the current level. The proposal includes a savings of $29,000 from implementation of the management savings initiative.

o Assessments and Collections: The proposed increase of $679,000 will support operation and enhancement of OSMRE's Applicant Violator System (AVS), which helps to carry out SMCRA by ensuring that applicants for new mining permits are denied such permits until they abate violations and pay penalties imposed as a result of these violations, or pay any owed Abandoned Mine Land fees. The increase will enable OSMRE to expand operation and maintenance of the AVS, which will be extensively used by OSMRE and the States upon its establishment in February 1987. In accordance with the requirements contained in the Department's Appropriations Act for Fiscal Year 1986 (P. L. 99-190), the AVS data base will be expanded to include State violations and civil penalty data, and data concerning air and water quality violations associated with mining operations. This will place AVS capabilities at a level that is in accordance with the permit review requirements of Section 510(c) of SMCRA. The proposal also includes a savings of $21,000 from implementation of the management savings initiative.

General Administration

The total request for General Administration is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. This activity includes three subactivities: (1) Executive Direction; (2) Administrative Support; and (3) General Services.

- Executive Direction: An increase of $94,000 is proposed. This subactivity includes funding for the Director and Deputy Directors, and for the Director's staff offices. The increase will be used to fund negotiated rulemaking efforts. Negotiated rulemaking has proved valuable in other agencies' efforts to resolve issues associated with regulatory development. OSMRE expects to use negotiated rulemaking where appropriate as a means to develop rules that will effectively carry out the Act while reducing the probability of costly litigation. A savings of $6,000 is also included due to implementation of the management savings initiative.

- Administrative Support: An increase of $2,718,000 and 6 FTEs is proposed. This subactivity supports functions that include personnel, budget, information systems management, management services, finance, and grants administration. Of the proposed increase, $2.4 million will be used to conduct long term systems development efforts, which are prerequisite to establishing an integrated computerized support system linking Title IV and V information and providing OSMRE Field installations and State agencies with full access to a central data base. Integrated systems support is an essential ingredient in the provision of technical services to State regulatory agencies. Development and implementation of this system involves a multi-year commitment to plan for capable and cost-effective operations. The remainder of the increase—$318,000 and 6 FTEs—will be used to expand capabilities that are needed to plan and operate ADP systems. The proposal includes savings of $12,000 from the management savings initiative.

- General Services: An increase of $2,833,000 is proposed. This subactivity supports costs for space rental, communications, postage, and other agencywide costs that are most effectively managed under a separate subactivity. Of the proposed increase, $633,000 will support increased office rental costs. The additional $2.2 million will fund the decentralization of certain program and administrative functions from OSMRE Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appropriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters.

Abandoned Mine Reclamation Fund

State Reclamation Program Grants

A decrease of $5,556,000 is proposed. In 1986, OSMRE proposed a decrease from the prior year to improve the stability of the AML Fund, whose resources were abruptly declining, and because the States' obligation rates indicated that they did not require funding at the 1985 level. Although States are beginning to improve their obligation rates, their unobligated balances have continued to increase, primarily due to funding that was recently made available from the high appropriation level in 1985. The slight decrease that is being proposed—3.6 percent—will help States to reduce these unobligated balances over the next several years. It will also, however, maintain a generous level of funding, allowing for the initiation of over $100 million in new projects as well as providing States with necessary administrative support. In addition, as noted above, OSMRE has been able to shift some budget authority for State assistance to the regulatory grant program, where the need for increased support is clearly apparent.

Federal Reclamation Programs

The Federal Reclamation Programs activity includes three subactivities: (1) Fee Compliance; (2) Reclamation Program Operations; and (3) Rural Abandoned Mine Program.

- o Fee Compliance: An increase of $682,000 and 15 FTEs is proposed. The increase will provide additional staffing to improve fee compliance program management and ensure more effective auditing, and to coordinate with the agency's efforts to maintain and enhance management information systems that improve enforcement and collections. The increase will be more than offset by the higher level of AML fee collection that will result. The proposal includes savings of $20,000 from the management savings initiative.

- o Federal Reclamation Projects: A decrease of $13,000 is proposed. This subactivity supports assistance and evaluation of State reclamation programs; Federal emergency projects and projects in non-primacy States and on Indian lands; and reclamation research. The program is being maintained at the 1986 level; the decrease results from savings realized through the management savings initiative.

- o Rural Abandoned Mine Program: A decrease of $8,624,000 and 108 FTEs from 1986 is proposed. Funds for RAMP are transferred to the Soil Conservation Service (USDA), which administers the program. In accordance with the Administration's policy to rely on States as the primary managers of reclamation projects through the expanded reclamation grants program, no new RAMP projects are being funded. The request will provide support only for the modification of existing construction contracts. All other program support costs will be provided by the Soil Conservation Service. The proposal includes a savings of $13,000 from management initiatives to be implemented as part of the program's phase down.

Small Operator Assistance Payments

A decrease of $3,082,000 is proposed. This program supports payments to laboratories that perform services related to the preparation of permit applications by eligible coal mine operators under a State or Federal program. New budget authority has not been proposed because projected carryover balances will be sufficient to maintain the program.

General Administration

The total request for General Administration is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The General Administration activity includes three subactivities: (1) Executive Direction; (2) Administrative Support; (3) General Services. The functions supported under this appropriation are the same as those described under the Regulation and Technology appropriation.

- o Executive Direction: A decrease of $5,000 is proposed to implement the management savings initiative.

- o Administrative Support: A decrease of $6,000 is proposed to implement the management savings initiative.

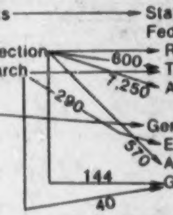
o **General Services**: An increase of $983,000 is proposed. $183,000 will support the share of increased office rental costs that is chargeable to this appropriation. The remaining $800,000 will fund the decentralization of certain program and administrative functions from Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appropriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters.

OFFICE OF SURFACE MINING RECLAMATION and ENFORCEMENT
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK ($ in thousands)

FY 1986 APPROPRIATION ENACTED TO DATE

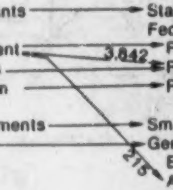
Format for FY 1986 Budget **Format for FY 1987 Budget**

REGULATION AND TECHNOLOGY



Amount	Activity/Subactivity	Activity/Subactivity	Amount
36,977	State Regulatory Program Grants	State Regulatory Program Grants	36,977
	Federal Regulatory Programs	Federal Regulatory Programs	
27,582	Program Operations and Inspection	Regulatory Program Operations	19,018
12,940	Technical Services and Research	Technical Services, Training, and Research	13,210
(40,522)	Subtotal, FRP	Assessments and Collections	7,250
7,843	General Administration	Subtotal, FRP	(39,478)
		General Administration	
		Executive Direction	1,640
		Administrative Support	3,579
		General Services	3,468
		Subtotal, GA	(8,687)
85,142	TOTAL, R& T	TOTAL, R&T	85,142

ABANDONED MINE RECLAMATION FUND

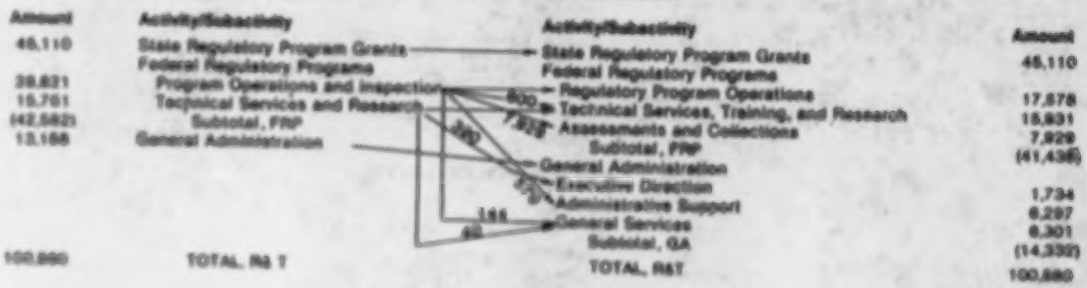


Amount	Activity/Subactivity	Activity/Subactivity	Amount
156,156	State Reclamation Program Grants	State Reclamation Program Grants	156,156
	Federal Reclamation Programs	Federal Reclamation Programs	
6,857	Reclamation Fund Management	Fee Compliance	2,800
26,163	Federal Reclamation Projects	Reclamation Program Operations	30,005
9,424	Rural Abandoned Mine Program	Rural Abandoned Mine Program	9,424
(42,444)	Subtotal, FRP	Subtotal, FRP	(42,229)
3,082	Small Operator Assistance Payments	Small Operator Assistance Payments	3,082
4,459	General Administration	General Administration	
		Executive Direction	830
		Administrative Support	1,998
		General Services	1,846
		Subtotal, GA	(4,674)
206,141	TOTAL, AML	TOTAL, AML	206,141
291,283	TOTAL, OSM	TOTAL, OSM	291,283

OFFICE OF SURFACE MINING RECLAMATION and ENFORCEMENT
ACTIVITY/SUBACTIVITY CHANGE CROSSWALK ($ in thousands)
FY 1987 REQUEST

Format for FY 1986 Budget — **Format for FY 1987 Budget**

REGULATION AND TECHNOLOGY



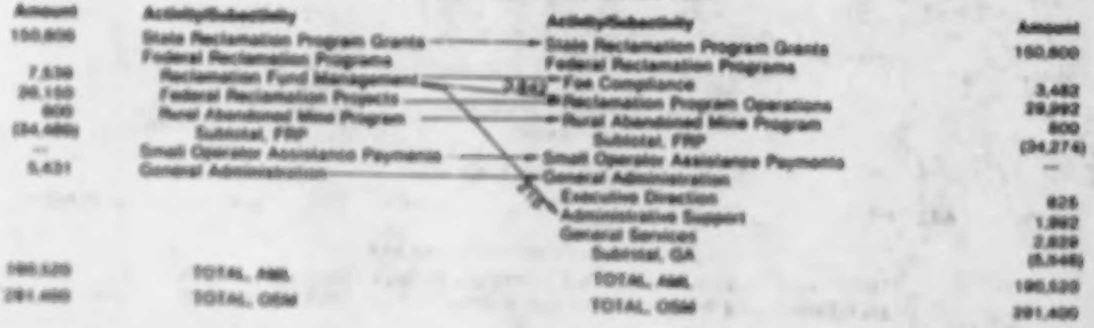
Format for FY 1986 Budget

Amount	Activity/Subactivity
45,110	State Regulatory Program Grants
	Federal Regulatory Programs
26,821	Program Operations and Inspection
15,761	Technical Services and Research
(42,582)	Subtotal, FRP
13,188	General Administration
100,880	TOTAL, R& T

Format for FY 1987 Budget

Activity/Subactivity	Amount
State Regulatory Program Grants	45,110
Federal Regulatory Programs	
Regulatory Program Operations	17,578
Technical Services, Training, and Research	15,931
Assessments and Collections	7,929
Subtotal, FRP	(41,438)
General Administration	
Executive Direction	1,734
Administrative Support	6,297
General Services	6,301
Subtotal, GA	(14,332)
TOTAL, R&T	100,880

ABANDONED MINE RECLAMATION FUND



Format for FY 1986 Budget

Amount	Activity/Subactivity
150,800	State Reclamation Program Grants
	Federal Reclamation Programs
7,539	Reclamation Fund Management
26,150	Federal Reclamation Projects
800	Rural Abandoned Mine Program
(34,489)	Subtotal, FRP
—	Small Operator Assistance Payments
5,431	General Administration
190,720	TOTAL, AML
291,600	TOTAL, OSM

Format for FY 1987 Budget

Activity/Subactivity	Amount
State Reclamation Program Grants	150,800
Federal Reclamation Programs	
Fee Compliance	3,482
Reclamation Program Operations	29,992
Rural Abandoned Mine Program	800
Subtotal, FRP	(34,274)
Small Operator Assistance Payments	—
General Administration	
Executive Direction	825
Administrative Support	1,992
General Services	2,829
Subtotal, GA	(5,646)
TOTAL, AML	190,720
TOTAL, OSM	291,600

OSMRE Budget Structure Change

OSMRE's new budget structure is displayed in the crosswalks on the previous pages, and is reflected in the subactivity justifications. The new budget structure is designed to provide greater information on OSMRE's programs to improve the agency's ability to allocate resources in accordance with the Act's priorities. Although the detailed subactivity narratives set forth the areas under which operations are funded, the following is a brief description of the changes from the previous budget structure which provides an additional reference.

Regulation and Technology

State Regulatory Program Grants: no change from previous structure.

Federal Regulatory Programs:

- **Regulatory Program Operations:** Includes all functions of the former Program Operations and Inspection subactivity, except for general administration, assessments and collections operations, and training.
- **Technical Services, Training, and Research:** Includes all functions of the former Technical Services and Research subactivity, except for regulatory development, and also includes training functions.
- **Assessments and Collections:** Includes functions that were previously part of the Regulation and Inspection component of the former Program Operations and Inspection subactivity.

General Administration (now divided into three subactivities):

- **Executive Direction:** Includes the offices of the Director and Deputy Directors, and staff offices of public affairs, program evaluation, regulatory development and issues management, Congressional liaison, and equal employment opportunity.
- **Administrative Support:** Includes the functions of personnel, budget, information systems management, management services, financial management, and general administration.
- **General Services:** Includes agencywide expenses -- items such as office space, communications, and postage.

Abandoned Mine Reclamation Fund

State Reclamation Program Grants: no change from previous structure.

Federal Reclamation Programs:

- **Fee Compliance:** Includes functions that previously were a component of the former Reclamation Fund Management subactivity.
- **Reclamation Program Operations:** Includes all functions of the former Federal Reclamation Projects Subactivity, and those of the former Reclamation Fund Management subactivity other than fee compliance and general administration.

- Rural Abandoned Mine Program: no change from previous structure.

Small Operator Assistance Payments: no change from previous structure.

General administration: see description under Regulation and Technology.

Appropriation Summary Statement

Appropriation: Regulation and Technology

This appropriation finances the regulatory functions of the Surface Mining Control and Reclamation Act as administered by the States and by the Office of Surface Mining Reclamation and Enforcement (OSMRE). Federal activities related to the administration and monitoring of State regulatory programs are also financed by this appropriation.

The total request is $100,880,000, an increase of $15,223,000 from the Fiscal Year 1987 base.

Activities covered under this appropriation and changes from the base include:

1. State Regulatory Program Grants: (+$8,133,000) - This activity provides funds to the States to regulate surface mining within their borders. The increase will provide additional support to States that are experiencing increased workloads, undertaking program improvements, or encountering higher operating costs. The program has remained at level funding for several years, and OSMRE believes that States require increased support to maintain primacy programs and to carry out plans for their improvement. States will match the increase in accordance with program requirements.

2. Federal Regulatory Programs: (+$2,060,000; -10 FTEs) - This activity finances OSMRE's Federal regulatory program functions. There are three subactivities: (1) Regulatory Program Operations; (2) Technical Services, Training, and Research; and (3) Assessments and Collections.

   - Regulatory Program Operations: (-$1,390,000; -10 FTEs) - This subactivity includes assistance to and monitoring and evaluation of programs in primacy States to assure State compliance with approved regulatory programs; development and administration of cooperative agreements for State regulation of Federal lands; the conduct of regulatory program operations in non-primacy States, on Indian lands and on Federal lands in States without cooperative agreements; assistance to States in the Small Operator Assistance Program; and regulation and inspection functions. The decrease reflects the expected completion of direct Federal regulatory activities in Oklahoma; non-recurring costs associated with the continuing two-acre inspection and enforcement activities in Kentucky and Virginia, which will be completed by the end of Fiscal Year 1987; and a technical correction that is required because funding now in the base for conducting reclamation pursuant to bond forfeitures in cases where OSMRE is the regulatory authority will not be necessary, since proposed appropriations language provides for an indefinite no year appropriation that makes receipts derived from such forfeitures available as they accrue (-$497,000).

   - Technical Services, Training, and Research: (+$2,750,000) - This subactivity provides technical assistance on regulatory program operations; technical augmentation of State program evaluation functions; studies and applied research; technical publications; mine plan review and other NEPA-related compliance; provision of expert testimony in judicial and administrative proceedings; and administration of OSMRE's experimental practices program. The increase will be used to fund an extensive program of training for State and Federal personnel in key areas of program administration such as inspections and permitting, based on curricula developed by OSMRE, the States, and other interested groups. The training initiative will improve the ability of both the States and OSMRE to enforce SMCRA.

- Assessments and Collections: (+$700,000) - This subactivity supports operations that support SMCRA enforcement by assessing and collecting civil penalties imposed pursuant to the Act, and managing information systems that support enforcement efforts. The increase will fund efforts to expand the operation and maintenance of OSMRE's Applicant Violator System (AVS) which is intended to assist the agency in its efforts to deny new mining permits to operators who have unabated violations, or unpaid civil penalties or AML fees. The total cost of these efforts is $2.0 million; however, $1.3 million will be available in the base due to completion of the initial phase of AVS development.

3. General Administration: (+$5,030,000; +6 FTES) - General Administration is included as an activity in both the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. There are three subactivities: (1) Executive Direction; (2) Administrative Support; and (3) General Services.

- Executive Direction: (+$100,000) - This subactivity supports the offices of the Director and Deputy Directors, and the Director's immediate staff offices. The increase will fund efforts to use negotiated rulemaking as a means of regulatory development. Negotiated rulemaking is a technique that may prove valuable in addressing potentially contentious issues, ensuring the development of rules that are more likely to be effective and less likely to prompt costly and time consuming litigation.

- Administrative Support: ($2,730,000; +6 FTEs) - This subactivity includes the areas of personnel, budget, management services, financial management, grants administration, and information management systems. An increase of $2.4 million will support long term ADP systems integration efforts to improve the agency's enforcement capabilities and comprehensive financial management. The development and implementation of an integrated computer system is expected to be a multi-year effort. The remainder of the increase—$330,000 and 6 FTEs—is to expand staffing that is needed to manage operations and to direct planning for future systems development.

- General Services: (+$2,200,000) - This subactivity comprises certain agencywide expenses such as office space, communications, and postage, that are most effectively administered as a separate subactivity. The increase will support OSMRE's initiative to decentralize certain program and administrative functions from Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appopriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Regulation and Technology

For necessary expenses to carry out the
provisions of the Surface Mining Control and
Reclamation Act of 1977, Public Law 95-87,
[$85,153,000] including the $100,880,000
purchase of not to exceed 14 passenger
motor vehicles of which 9 shall be
for replacement only; and uniform allowances
of not to exceed $400 for each uniformed
employee of the Office of Surface Mining
Reclamation and Enforcement; and,
notwithstanding 31 U.S.C. 3302, an amount equal additional
to receipts to the general fund of the Treasury
from performance bond forfeitures[, estimated at
$500,000]in Fiscal Year [1986], to remain available 1987
until expended[: Provided, That no funds shall be
used to finalize or implement any proposed rule,
or take any other action which would result in
the adoption by the Office of Surface Mining
Reclamation and Enforcement of a rule or
regulation pursuant to section 507(a) of Public
Law 95-87 which would require applicants to
reimburse the Department of the Interior for costs
incurred in the collection of application fees
for permits to conduct surface coal mining and
reclamation operations; for permits to conduct
coal exploration; for processing mining plans;
or for the review of surface coal mining and
reclamation permits].

Department of the Interior and Related Agencies Appropriations Act, 1987

Justification of Proposed Language Change

Change: ". . . an amount equal additional
to receipts to the general fund of the Treasury
from performance bond forfeitures[, estimated at
$500,000]in Fiscal Year [1986]" 1987

This is a technical correction designed to clarify language enacted in 1986 that was intended to provide an indefinite no year appropriation so that OSMRE, as the regulatory authority, can perform reclamation in cases where performance bonds have been forfeited. The Department of the Treasury has interpreted the existing language as providing definite authority of $497,000, in addition to the indefinite authority that was enacted. This is contrary to the actual intent of the provision, which was to provide indefinite no year authority only, since such reclamation work is only required when bonds are forfeited, and any funds that accrue must be no year in character. The proposed language will maintain and clarify the provision for indefinite no year authority, thus enabling OSMRE to carry out its responsibilities. The $497,000 in Fiscal Year 1986 definite authority noted above will be included in the savings required by P. L. 99-177, and also proposed as a decrease from the base level for 1987.

Deletion: [: Provided, That no funds shall be used to finalize or implement any proposed rule, or take any other action which would result in the adoption by the Office of Surface Mining Reclamation and Enforcement of a rule or regulation pursuant to section 507(a) of Public Law 95-87 which would require applicants to reimburse the Department of the Interior for costs incurred in the collection of application fees for permits to conduct surface coal mining and reclamation operations; for permits to conduct coal exploration; for processing mining plans; or for the review of surface coal mining and reclamation permits]

The deletion is proposed to allow OSMRE the discretion to pursue options for the recovery of costs associated with regulatory operations. OSMRE has consistently maintained that no cost recovery options would be finalized or implemented without extensive analysis of their likely impacts and the provision for public comment as provided by law, and without notification of the authorizing and appropriations committees. Since this assures that no rule which imposes undue burdens would be promulgated, the language does not appear necessary and is proposed for deletion.

Office of Surface Mining Reclamation and Enforcement

Appropriation: Regulation and Technology

A. Appropriation Language

For necessary expenses to carry out the provisions of the Surface Mining Control and Reclamation Act of 1977, Public Law 95-87, $_____ including the purchase of not to exceed ___ passenger motor vehicles for replacement only.

B. Appropriation Language Citations and Explanations

1. For necessary expenses to carry out the provisions of Surface Mining Control and Reclamation Act of 1977, P. L. 95-87,

   a. 30 U.S.C. 1252: Provides that no person shall open or develop any new or previously mined or abandoned surface coal mining operations on lands regulated by the State without obtaining a permit from the State's Regulatory Authority.

   b. 30 U.S.C. 1253: Provides that each State desiring to assume exclusive jurisdiction over coal mining activities within its boundaries may submit a State program which demonstrates that it has the capability of carrying out the provisions of P. L. 95-87.

   c. 30 U.S.C. 1254: Provides that the Secretary will prepare, promulgate, and implement a Federal program for a State that fails to submit a State program; fails to resubmit an acceptable State program; or fails to implement, enforce, or maintain its approved State program as provided for in P. L. 95-87.

   d. 30 U.S.C. 1256 & 1257: Provides that pursuant to the approval of a State or Federal program, no person will carry on coal mining activities within that State without first obtaining a permit issued by that State which is accompanied by a permit fee determined by the Regulatory Authority.

   e. 30 U.S.C. 1266: The Secretary will promulgate rules and regulations directed toward the surface effects of underground coal mining operations that will not conflict or supersede any provision of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 801).

   f. 30 U.S.C. 1272: Provides that to be eligible to assume primary regulatory authority, each State will establish a planning process enabling objective decisions based upon competent and scientifically sound data and information as to which, if any, land areas are unsuitable for all or certain types of surface coal mining.

g. 30 U.S.C. 1273: The Secretary will promulgate and implement a Federal lands program which will be applicable to all surface coal mining and reclamation operations taking place on Federal lands and designate Federal lands unsuitable for coal mining where required.

h. 30 U.S.C. 1281: The Secretary may, or at the request of the Governor of a particular State shall, review any area within Federal lands to assess whether it may be unsuitable for non-coal mining operations.

i. 30 U.S.C. 1295: The Secretary is authorized to make annual grants to any State for the purpose of assisting such State in developing, administering, and enforcing a State program under P. L. 95-87.

j. 30 U.S.C. 1300: The Secretary is directed to study the question of the regulation of surface coal mining on Indian lands.

2. $_____ including the purchase of not to exceed ____ passenger motor vehicles for replacement only.

30 U.S.C. 1302

a. 30 U.S.C. 1302: Provides authorization for appropriation of funds to the Secretary for the purpose of carrying out the requirements of P. L. 95-87.

C. Basic Authorizing Legislation

The Office of Surface Mining Reclamation and Enforcement's (OSMRE's) authorization is derived from the Surface Mining Control and Reclamation Act of August 3, 1977 (30 U.S.C. 1201 et seq.). The purposes of this law include: (1) protecting society and the environment from the effects of coal mining operations; (2) reclaiming existing and future mined acres which endanger public health and safety, prevent or damage the beneficial use of land or water resources, or decrease environmental quality; (3) providing a special fund for abandoned mine reclamation; and (4) providing technical and financial assistance to States with primary regulatory authority over coal mining activities within their boundaries.

Since most States with mineable coal reserves have obtained regulatory authority over those coal mining operations, OSMRE has shifted into an oversight role with respect to those States. OSMRE's oversight policy ensures that States properly implement their approved regulatory programs and meet the requirements of the Surface Mining Act. Also, OSMRE administers Federal programs in States which have not developed their own regulatory programs.

D. Activity Structure

1. State Regulatory Program Grants
2. Federal Regulatory Programs
    a. Regulatory Program Operations
    b. Technical Services, Training, and Research
    c. Assessments and Collections
3. General Administration
    a. Executive Direction
    b. Administrative Support
    c. General Services

E. Authorization by Activity

1. State Regulatory Program Grants

Description: This activity provides funds to the States to regulate surface coal mining. Funds are provided through three mechanisms:

a. Program Development - To assist States in developing regulatory programs.

b. Administration and Enforcement - To assist States in maintaining approved regulatory programs in accordance with the Surface Mining Act. The primary functions of the State regulatory authorities include review and issuance of permits, inspection and enforcement, designation of lands unsuitable for mining, administration of bonding and bond release programs that ensure proper reclamation of land after mining; and administration of small operator assistance programs.

c. Cooperative Agreements - To assist States (with regulatory authority over non-Federal coal mining operations) in regulating mining activities on Federal lands. This function is performed by the States for the Federal Government. The States' activities in this function include mine plan review and the required inspections of regulated facilities on Federal lands.

Authority: 30 U.S.C. 1295 - The Secretary is authorized to make annual grants to any State for the purpose of assisting that State in developing, administering, and enforcing State programs under the Surface Mining Act and for providing technical assistance and training.

2. Federal Regulatory Programs

Description: This activity finances OSMRE's Federal Regulatory program functions and has three primary subactivities:

a. Regulatory Program Operations which includes monitoring and evaluation of programs in primacy States to assure each State's compliance with its approved regulatory program; assistance to State programs and administration and development of cooperative agreements for State regulation of Federal lands; conduct of regulatory programs in non-primacy States, on Indian lands, and on Federal lands not covered by cooperative agreements; assistance to States in the Small Operator Assistance Program; and regulation and inspection functions.

b. Technical Services, Training, and Research which includes technical advice and assistance on regulatory program operations; technical augmentation of State program evaluation functions; regulations review; studies and applied research; technical publications; technical assistance to small operators; mine plan review and other NEPA-related compliance; provision of expert testimony in judicial and administrative proceedings; and administration of OSMRE's experimental practices program.

c. Assessments and Collections which includes functions associated with imposing and collecting civil penalties, and developing and maintaining information management systems that support these functions as well as enhance the agency's ability to deny new mining permits to applicants with unabated violations, unpaid civil penalties, or unpaid Abandoned Mine Land fees.

Authority

1. Regulatory Program Operations and Inspection

30 U.S.C. 1252, 1253, 1254, 1271, 1273, 1300, 1302

These sections provide for aid to all primacy States for maintaining approved regulatory programs and evaluate the States' performance in doing so; monitoring implementation of the grant programs; small operator assistance programs; and for regulatory programs in States without approved programs, on Federal lands and on Indian lands.

2. Technical Services, Training, and Research

30 U.S.C. 1252, 1272, 1273, 1295, 1302

These sections provide for processing of permit applications and mine plans for Federal lands operations; designating of land unsuitable for surface mining through technical reviews; scientific/engineering support and technical training for States operating approved permanent programs and federally-administered programs; initiation of research projects and technical studies; issuance of technical publications; approval of experimental practices to meet the needs of approved State programs and federally-administered programs; preparation of environmental assessments and impact statements for permits and other actions; and training of OSMRE staff and State staff to enable these agencies to more effectively carry out the provisions of the Act.

3. Assessments and Collections

30 U.S.C. 1260, 1268

These sections provide for the assessment and collection of penalties levied for violations of the Act, and for the denial of permits to those with unabated violations or unpaid penalties.

4. General Administration

Description: This activity provides OSM executive direction, administrative support, and general services.

Authorization

30 U.S.C. 1302

This section provides for funds to be appropriated for administrative costs necessary for carrying out the provisions of P.L. 95-87.

F. Administrative Provisions

None

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Summary of Requirements
(Dollar Amounts in Thousands)

Appropriation: Regulation and Technology	FTE	Amount	FTE	Amount
Appropriation, 1986			715	85,142
P. L. 99-177 Budget Authority Cancellation			—	-3,640
Adjusted FY 1986 Appropriation			715	81,502
SUMMARY OF BASE ADJUSTMENTS:				
Management Savings Initiative	—	-118		
Rental Payments to GSA (SLUC)	—	+633		
Adjustment for 1986 Impact of P. L. 99-177	—	+3,640		
Total, adjustments to base	—	+4,155	—	+4,155
1987 Base Budget			715	85,657
Program Changes (Changes to base budget, detailed below)			-4	+15,223
Total Requirements (1987 Estimate)			711	100,880

Comparison by activity/subactivity:	FY 1985 Actual FTE	FY 1985 Actual AMOUNT	FY 1986 Estimate 1/ FTE	FY 1986 Estimate 1/ AMOUNT	P.L. 99-177 Budget Authority Cancellation FTE	P.L. 99-177 Budget Authority Cancellation AMOUNT	FY 1986 Adjusted Approp. FTE	FY 1986 Adjusted Approp. AMOUNT
State Regulatory Program Grants	—	36,734	—	36,977	—	-1,590		35,387
Federal Regulatory Programs:								
Program Operations and Inspection	392	23,729						
Technical Services and Research	186	12,890						
Regulatory Program Operations			311	19,018	—	-796	311	18,222
Technical Services, Training & Research			196	13,210	—	-568	196	12,642
Assessments and Collections			80	7,250	—	-312	80	6,938
SUBTOTAL	578	36,619	587	39,478	—	-1,676	587	37,802
General Administration:								
Executive Direction			39	1,640	—	-71	39	1,569
Administrative Support			89	3,579	—	-154	89	3,425
General Services			—	3,468	—	-149	—	3,319
SUBTOTAL	122	6,994	128	8,687	—	-374	128	8,313
Total Requirements	700	80,347	715	85,142	—	-3,640	715	81,502

1/ Reflects new budget structure.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Summary of Requirements (CONTINUED)
(Dollar Amounts in Thousands)

Appropriation: Regulation and Technology	FTE	Amount	FTE	Amount
Appropriation, 1986			715	85,142
P. L. 99-177 Budget Authority Cancellation			—	-3,640
Adjusted FY 1986 Appropriation			715	81,502
SUMMARY OF BASE ADJUSTMENTS:				
Management Savings Initiative	—	-118		
Rental Payments to GSA (SLUC)	—	+633		
Adjustment for 1986 Impact of P. L. 99-177	—	+3,640		
Total, adjustments to base	—	+4,155	—	+4,155
1987 Base Budget			715	85,657
Program Changes (Changes to base budget, detailed below)			-4	+15,223
Total Requirements (1987 Estimate)			711	100,880

	FY 1987 Base		FY 1987 Estimate		Inc (+) or Dec (-) From 1986 Estimate		Inc (+) or Dec(-) From 1986 Adjusted Approp.		Inc (+) or Dec (-) From 1987 Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Comparison by activity/subactivity:										
State Regulatory Program Grants	—	36,977	—	45,110	—	+8,133	—	+9,723	—	+8,133
Federal Regulatory Programs:										
Program Operations and Inspection										
Technical Services and Research										
Regulatory Program Operations	311	18,968	301	17,578	-10	-1,440	-10	-444	-10	-1,390
Technical Services, Training, and Research	196	13,181	196	15,931	—	+2,721	—	+3,289	—	+2,750
Assessments and Collections	80	7,229	80	7,929	—	+679	—	+791	—	+700
SUBTOTAL	587	39,378	577	41,438	-10	+1,960	-10	+3,636	-10	+2,060
General Administration:										
Executive Direction	39	1,634	39	1,734	—	+94	—	+165	—	+100
Administrative Support	89	3,567	95	6,297	+6	+2,718	+6	+2,872	+6	+2,730
General Services	—	4,101	—	6,301	—	+2,833	—	+2,982	—	+2,200
SUBTOTAL	128	9,302	134	14,332	+6	+5,645	+6	+6,019	+6	+5,030
Total Requirements	715	85,657	711	100,880	-4	+15,738	-4	+19,378	-4	+15,223

1/ Reflects new budget structure.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Justification of Adjustments to Base
(In Thousands of Dollars)

Appropriation: Regulation and Technology

Adjustment for P. L. 99-177 B. A. Cancellations.........................+5,[illegible]

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Management Savings Initiative...-[illegible]

In Fiscal Year 1987 OSMRE will implement an agency wide management savings initiative. Under this initiative, organizational realignment and the decentralization of certain program functions to the field will result in cost savings since some positions, as they become vacant, are to be filled by lower graded employees.

Rental Payments to GSA (SLUC)...+[illegible]

The adjustment reflects increased rental payments to GSA resulting from changes in assignment of space by GSA.

Analysis by Subactivity

Activity: [illegible]

(Dollars in thousands)

Subactivity	[illegible]	[illegible] 1/	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]					
[illegible]	[illegible]					
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Assessments and Collections		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

1/ [illegible]

Analysis by Subactivity

Activity: General Administration

(Dollars in thousands)

Subactivity	FY 1985 Actual	FY 1986 Estimate 1/	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Increase (+) or Decrease (-) of 1987 Estimate From Base
Executive Direction		1,440	1,369	1,436	1,736	+300
Administrative Support		3,579	3,423	3,567	6,297	+2,730
General Services		3,448	3,319	4,299	6,499	+2,200
TOTAL	6,906	8,467	8,111	9,302	14,532	+5,230

1/ Reflects new budget structure.

Justification of Program and Performance

Activity: State Regulatory Program Grants

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
State Regulatory Program Grants ($)	36,977	35,387	36,977	45,110	+8,133
(FTE)	—	—	—	—	—

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
36,977	-1,590	35,387

As a result of the $1,590,000 reduction, States will defer the purchase of some supplies and equipment. This includes maintaining rather than replacing items such as vehicles and word processing hardware and software. In addition, travel expenditures will be reduced and it is expected that the filling of vacancies in areas other than those critical to field enforcement will be delayed.

Authorization: 30 U.S.C. 1295 (Section 705(a) Surface Mining Control and Reclamation Act of 1977).

Activity Objectives:

1. Maintain effective State programs in primacy States.

2. Provide cooperative agreement funds to States for administering regulatory programs on Federal lands.

3. Assist Indian Tribes in developing regulatory program skills and provide cooperative agreement funding to three Tribes which have coal mining on their lands.

Base Program:

The Act allows all States that wish to have responsibility for regulating surface coal mining activities within their boundaries to submit proposed permanent regulatory programs for approval by the Secretary. In Fiscal Year 1987, 24 States will have primacy for the regulation of coal mining activities. See Table 1 for a listing of primacy States.

Under OSMRE's regulations, States may submit amendments to their programs for approval by the Secretary at any time. Certain amendments, such as those required to satisfy a condition on a program or to bring the State's program into conformance with OSMRE's regulations, must be submitted in accordance with an established schedule.

States may receive grants to implement their regulatory programs. These grants are for the specific purpose of developing, administering and enforcing such programs, and cannot exceed 80 percent of total State costs in the first year, 60 percent in the second year, and 50 percent in all subsequent years. At present, all eligible States are at the 50 percent level.

Grant monies cover activities that are responsive to daily maintenance of a State's regulatory program. These activities include the major categories of inspection, permitting and enforcement. In addition, special activities are conducted by individual States to address specific needs. These activities include monitoring areas of subsidence damage; expanding permitting programs; computerizing violator systems to review pending permits; and drafting regulations that are responsive to changes in OSMRE's regulations.

The status of each State program is presented in OSMRE's Annual Oversight Report, a document coordinated by OSMRE's State program evaluation staff. OSMRE's State program evaluations are designed to identify problems faced by State regulatory authorities in implementing approved programs. Each year OSMRE modifies its evaluation outline to ensure that all problem areas are identified and reported in each State. States participate in evaluations of their programs through continuing discussions with OSMRE. The evaluation process is described further in the Regulatory Program Operations subactivity justification.

In addition to receiving funds through two kinds of grants (Program Development; Administration and Enforcement), States can also receive funds under cooperative agreements that enable them to regulate mining on Federal lands. In addition, OSMRE is working with three Indian tribes to assist them in developing the functions and skills needed to operate a regulatory program. Legislative options that would allow the Tribes to achieve primary regulatory authority have been developed and proposed to the Congress. However, OSMRE does not anticipate primacy for Tribes in Fiscal Year 1987.

TABLE 1
STATES WITH PRIMACY

STATE	DATE APPROVED
Alabama	05/20/82
Alaska	03/23/83
Arkansas	11/21/80
Colorado	12/15/80
Illinois	06/01/82
Iowa	01/21/81
Indiana	07/26/82
Kansas	01/21/81
Kentucky	05/18/82
Louisiana	10/10/80
Maryland	12/01/80
Mississippi	09/04/80
Missouri	11/21/80
Montana	04/01/80
New Mexico	12/31/80
North Dakota	12/15/80
Ohio	08/10/82
Oklahoma	01/19/81
Pennsylvania	07/30/82
Texas	02/27/80
Utah	01/21/81
Virginia	12/15/81
West Virginia	01/21/81
Wyoming	11/26/80

Program Development Grants are awarded to assist States in formulating regulatory programs. Five States - Massachusetts, Michigan, Oregon, Rhode Island, and Washington - are developing or considering permanent programs. In addition, Tennessee, which had primacy until October 1, 1984, is expected to develop a program for regaining primacy.

Administration and Enforcement grants are awarded to States maintaining approved regulatory programs in accordance with the Act. Major activities of State regulatory authorities include permit review and issuance; inspection and enforcement; designation of lands unsuitable for mining; administration of a bonding and bond release program to ensure reclamation of land after mining; and administration of a State small operator assistance program.

Cooperative agreements are used by OSMRE where States with approved programs regulate surface coal mining activities on Federal lands within that State. The principal activities of States under cooperative agreements are to review and issue permits and to conduct the required inspections of regulated facilities on Federal lands. These agreements provide for uniform enforcement of State program requirements at all facilities within the States to reduce both direct Federal program costs and Federal staff requirements. Section 705(c) limits the amount that a State may receive through a cooperative agreement. This amount must not exceed the amount which the Federal government would have had to spend to do the same work.

State work under cooperative agreements does not duplicate work funded under the Technical Services, Training and Research subactivity, which includes the direct Federal work to review mine plans on Federal lands. Additional information on mine plan reviews for mines on Federal lands and associated NEPA compliance activities is found in the Technical Services, Training and Research justification.

Table 2 indicates the projected FY 1986 workload by State. The workload data include units regulated under cooperative agreements. A complete inspection includes on-site review of all permit conditions and requirements. All active and inactive areas, including facilities and areas in support of mining and reclamation, are examined for compliance with all program performance requirements. A partial inspection is an on-site review of an operator's compliance with some of the permit conditions and requirements imposed under the State program. The Act requires all active inspectable units under the permanent program to have four complete and eight partial inspections per year.

It should be noted that the workloads and staffing of individual States cannot be directly compared because of the unique characteristics of particular States such as variable terrain, variable distances between mines, and size of the mine site; nor should these data be used to make inferences as to whether a particular State is meeting the intent of SMCRA. As noted earlier, OSMRE writes individual State evaluation reports to evaluate the State's performance in the implementation and enforcement of its approved regulatory program.

TABLE 2
STATE INSPECTION WORKLOAD
FISCAL YEAR 1986 ESTIMATE

STATE	NUMBER OF STATE INSPECTORS 1/	NUMBER OF INSPECTABLE UNITS 2/		NUMBER OF INSPECTIONS	
		ACTIVE	INACTIVE	COMPLETE	PARTIAL
ALABAMA	30	230	246	1,904	1,840
ALASKA	.65	1	0	4	8
ARKANSAS	3	38	1	156	304
COLORADO	13	37	17	216	296
ILLINOIS	21	102	7	436	816
INDIANA	21	504	70	2,296	4,032
IOWA	1	27	1	112	216
KANSAS	4	49	2	204	392
KENTUCKY	156	3,300	2,264	22,256	26,400
LOUISIANA	2	1	0	4	8
MARYLAND	6	99	26	500	792
MISSOURI	4	87	0	348	696
MONTANA	17	20	2	88	160
NEW MEXICO	9	10	3	52	80
NORTH DAKOTA	13	43	0	172	344
OHIO	37	795	504	5,196	6,360
OKLAHOMA	7	187	55	968	1,496
PENNSYLVANIA	177	2,500	1,405	15,620	20,000
TEXAS	8	19	0	76	152
UTAH	6	22	7	116	176
VIRGINIA	48	742	362	4,416	5,936
WEST VIRGINIA	64	1,674	1,405	12,316	13,392
WYOMING	15	39	0	156	312
TOTAL	622.65	10,526	6,377	67,612	84,208

1/ Inspector totals reflect permanent, part-time, supervisory, and specialized inspectors on board (not including vacancies) as of December 17, 1985.

2/ Totals for some States exclude crushing and grinding operations.

NOTE: An inspectable unit includes the mine areas as well as facilities and areas in support of mining and reclamation.

(Dollar Amounts in Thousands)

Increase for Fiscal Year 1987:	1987 Base	1987 Estimate	Inc. (+)
$	36,977	45,110	+8,133
(FTE-T)	---	---	---

Administration and Enforcement Grants (+$7,385,835): The request for Administration and Enforcement Grants is based on estimates submitted by the States and analyzed by OSMRE. OSMRE analysis includes consideration of staffing level adequacy and compares past State funding and performance with the estimated and proposed activities.

Under the Act, States with primacy have the most direct and critical responsibilities for conducting regulatory operations. Therefore, it is essential to ensure that they receive adequate support in order to carry out the Act's intent. Funding for the regulatory grant program has been essentially frozen from 1984-86. This has prevented States from enhancing their programs and they also are experiencing increased fixed costs.

Some of the increase will be used to support the higher fixed costs (e.g., costs of living, goods and services) that virtually all States have experienced during the three years in which appropriations remained steady. Part of the increase will fund costs incurred by States to participate in the Nationwide applicant/violator system that will implement Section 510(c) of SMCRA.

The increase will also fund specific efforts to augment regulatory programs. For example, in Kansas personnel will be added to address an increased workload stemming from new small mine operations. In Kentucky, the increase will support over 50 new FTEs that are to be hired in accordance with a recent agreement between OSMRE and the State. Missouri will add personnel to meet anticipated increases in inspection and permitting workloads. Ohio expects to add 11 FTEs to augment inspection, technical evaluation, assessment, and administrative support services. Pennsylvania will hire 2 additional FTEs to support their program activities in Fiscal Year 1987. Texas will require an additional 10 FTEs to regulate lignite mining operations, and also projects an increase in permitting from 100,000 acres to 800,000 acres, which will increase the workload in that program component. Additional staff in Utah and Colorado will increase inspection activity on tipples and loadouts. West Virginia will undertake a major initiative to improve inspection and related support activities by hiring over 50 FTEs and procuring necessary supplies and equipment.

States will match the proposed increase in accordance with program requirements.

Cooperative Agreements (-$52,835): The slight decrease reflects the net difference among workload changes in the participating States.

Program Development (+$800,000): The increase will fund a program development grant for Tennessee. OSMRE remains committed to assisting the State to resume primacy. The grant will support the State's efforts to develop the capabilities needed to meet OSMRE's requirements in this regard. Although resumption of primacy is not expected before Fiscal Year 1988, the grant will help to ensure adequate program design that is responsive to the Act in the areas of inspection, enforcement and permitting.

The entire increase will occur in Object Class 41, Grants.

TABLE 3
FISCAL YEAR 1987
REGULATORY GRANT ESTIMATES 1/

STATE/ TRIBE	NON - FEDERAL LANDS	FEDERAL/INDIAN LANDS	TOTAL
Alabama	1,563,550	100,000	1,663,550
Alaska	255,500	50,000	305,500
Arkansas	223,000	-0-	223,000
Colorado	260,238	913,181	1,173,419
Illinois	2,267,500	-0-	2,267,500
Indiana	1,262,675	-0-	1,262,675
Iowa	81,000	-0-	81,000
Kansas	361,456	-0-	361,456
Kentucky	8,411,350	-0-	8,411,350
Louisiana	151,100	-0-	151,100
Maryland	337,500	-0-	337,500
Missouri	382,296	-0-	382,296
Montana	163,633	436,613	600,246
New Mexico	270,000	150,000	420,000
North Dakota	320,128	121,953	442,081
Ohio	3,578,000	71,500	3,649,500
Oklahoma	711,000	-0-	711,000
Pennsylvania	9,644,000	-0-	9,644,000
Tennessee*	800,000	-0-	800,000
Texas	1,060,450	-0-	1,060,450
Utah	232,233	1,002,000	1,234,233
Virginia	2,479,400	81,500	2,560,900
West Virginia	4,873,000	-0-	4,873,000
Wyoming	204,403	1,163,526	1,367,929
Crow Tribe	-0-	315,000	315,000
Hopi Tribe	-0-	351,000	351,000
Navajo Tribe	-0-	460,000	460,000
TOTAL	39,893,412	5,216,273	45,109,685

*The State of Tennessee will be eligible for program development funding.

1/ These figures are estimates that will undergo continued review. They are based on estimates supplied by States and Tribes at OSMRE's request, up to 18 months in advance of the applicable fiscal year. The estimates are evaluated by Field Office and Headquarters personnel and adjusted as necessary. As the applicable fiscal year approaches and applications are submitted by States and Tribes, adjustments are often made to the amounts requested. Finally, OSMRE's review of these applications may lead to further adjustments.

Justification of Program and Performance

Activity: Federal Regulatory Programs
Subactivity: Regulatory Program Operations

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1987 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Dec. (-) From Base
Regulatory Program Operations					
$	19,018	18,222	18,968	17,578	-1,390
(FTE-T)	311	311	311	301	-10

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
19,018	-796	18,222

As a result of the $796,000 reduction, funds included to reclaim sites in cases where performance bonds have been forfeited and OSMRE is the regulatory authority ($497,000) will not be available. The indefinite appropriation that was enacted by Congress for 1986 will provide the funding needed to accomplish this reclamation work as it is needed. This was the intent of the appropriations language that was requested by OSMRE for 1986 and enacted by Congress; however, the Department of the Treasury has ruled that $497,000 in definite authority was also enacted. That funding is not needed and has been applied toward the required reduction. In addition, OSMRE will delay filling selected vacancies and reduce travel for both Headquarters and the field.

Authorization: 30 U.S.C. 1252, 1253, 1254, 1273, 1300, 1302 (Sections 502, 503, 504, 523, 710, and 712, Public Law 95-87 (Surface Mining Control and Reclamation Act of 1977).

Objectives

1. Provide assistance to primacy States in maintaining their regulatory programs to ensure compliance and process program amendments as necessary.

2. Conduct an oversight program of approved State regulatory programs and programmatic cooperative agreements and report to Congress on States' performance.

3. Conduct all inspections necessary to monitor and evaluate State program administration and all inspections required for Federal enforcement activities, such as inspections after the States' failure to act and citizen complaint inspections.

4. Administer a program for assistance to small operators.

5. Maintain federally-administered programs in States without approved programs, Federal lands responsibilities in States without a cooperative agreement, and inspection and enforcement activities on Indian lands.

Base Program

This subactivity includes monitoring and evaluation of State programs to ensure compliance with approved State programs and the Act; the conduct of regulatory program operations in non-primacy States, on Indian lands and Federal lands in States with cooperative agreements; assistance to States participating in the Small Operator Assistance program; and regulation and inspection activities. This new subactivity includes all functions of the former Program Operations and Inspection subactivity, with the exception of assessments and collections and grants administration. Assessments and collections is now a separate subactivity; grants administration is funded in the Administrative Support subactivity under General Administration.

The two major functions of this subactivity are oversight of State programs and Federal regulation of operations in States without primacy. A brief description of these two functions follows with more detail provided in the sections on State Programs and Regulation and Inspection.

Oversight of State regulatory programs is designed to assist, evaluate, and review State programs to ensure compliance with the Act. The components involved are State Programs, Regulation and Inspection, and Small Operator Assistance.

Once a State obtains approval of its permanent regulatory program, OSMRE's priorities are to provide technical assistance to the State in meeting permanent program requirements and to verify that the Act's requirements are being met. This process of verification includes the following statutory responsibilities:

o Assist the States in implementing a program to achieve the purposes of the Act. (Sec. 102(g))

o Make those investigations and inspections necessary to ensure compliance with the Act. (Sec. 201(c)(1))

o Cooperate with other Federal agencies and State regulatory authorities to minimize duplication of inspections, enforcement, and administration. (Sec. 201(c)(12))

o Make inspections of any surface coal mining and reclamation operation as may be necessary to evaluate the administration of approved State programs. (Sec. 517(a))

- Conduct Federal inspections and, if necessary, take Federal enforcement action where the Secretary has reason to believe that a State has failed to take proper action within 10 days after notification by the Secretary's representative. (Sec. 521(a))

- Enforce any part of a State program not being enforced by the State. (Sec. 504(b) and 521)

- Promulgate and implement a Federal program for a State if such State fails to enforce or maintain its approved State program. (Sec. 504(a))

OSMRE monitors each State's performance in conducting its approved regulatory program through collection and analysis of data on the State's activities. OSMRE addresses any deficiencies through informal and formal meetings, thereby providing an avenue for quick resolution of most problem areas. Sources used by OSMRE to monitor State performance include: oversight inspections; program data furnished by the State; data from individuals, citizen groups, or industry; and information gathered in periodic reviews of specific aspects of each State's regulatory program. OSMRE annually conducts a comprehensive evaluation of each State's program to assess achievements and to identify any problem areas. The results are documented with relevant supporting data and analyses. The State has the opportunity to review and comment on any findings and recommendations and its comments are considered before the final evaluation report is sent to the Director of OSMRE and subsequently to the Congress. Updated evaluations that focus on efforts to correct deficiencies noted in the annual evaluations are also provided to Congress prior to the annual appropriations hearings.

In addition to evaluating State programs, OSMRE operates a direct Federal regulatory program in States without approved programs; provides for regulation on Federal lands in States without cooperative agreements; and, regulates mining on Indian lands. The resources used for this program are in the Federally-administered State programs, Federal lands programs, and Indian lands program components. A portion of OSMRE's total regulation and inspection program component also supports direct Federal regulatory functions as in Tennessee.

Summary of Workload Data and Proposed Increases/Decreases for Fiscal Year 1987

(Dollar amounts in Thousands)

Program Component:		FY 1987 Base Level	FY 1987 Request	Inc.(+) or Dec.(-)	Workload Measures
1. State Programs	$ (FTE-P)	3,510 56	3,510 56	--- ---	24 programs evaluated; 65 grants/ major amendments awarded; 26 previously awarded grants administered; 75 program amendments proposed.
2. Regulation & Inspection	$ (FTE-P)	14,150 230	12,760 220	-1,390 -10	3,700 sampling inspections; 13,300 other inspections.
3. Small Operator Assist. Program	$ (FTE-P)	336 6	336 6	--- ---	17 grants continued; 18 grants administered; 11 programs evaluated.
4. Federally-administered programs	$ (FTE-P)	(25) 6	(25) 6	--- ---	9 programs operated.
5. Federal lands programs	$ (FTE-P)	356 8	356 8	--- ---	24 cooperative agreements/ MOU's administered.
6. Indian lands programs	$ (FTE-P)	278 5	278 5	--- ---	3 programs administered.
TOTAL		18,960 311	17,570 301	-1,390 -10	

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Beginning in Fiscal Year 1986, OSMRE's annual evaluation reports will include a new section that implements plans aimed at resolving problems with regulatory programs. This new section will specifically identify problems, their probable cause(s) and actions taken by the State and/or OSMRE to resolve them. The section will also include an action plan and timetable to address and resolve the problem.

2. Regulation and Inspection

Regulation and Inspection is the largest component of the Regulatory Program Operations subactivity. This component is responsible for monitoring and evaluating the inspection and enforcement aspects of State regulatory programs and for conducting required Federal inspection and reinspection activities.

The following is a summary of the various activities under this component.

- statistical sampling inspections based on a methodology that allows OSMRE to assess the States' compliance with their approved programs;
- inspections to provide assistance to States;
- Federal follow-up inspections where the State fails to take action on a particular violation;
- citizen complaint inspections where the State is unavailable in an emergency, or to monitor the State's handling of citizen complaints;
- assistance for monitoring and evaluation of States' compliance with their approved regulatory programs and developing annual reports on States' accomplishments and problems encountered;
- issuance of Notices of Violations (NOVs) or Cessation Orders (COs);
- assistance to States to resolve problems relating to regulatory activities and provide training as requested;
- Federal inspections and enforcement actions on Indian lands and on Federal lands in States without cooperative agreements; and
- Federal inspections and enforcement actions in States without approved regulatory programs.

In Fiscal Year 1986, OSMRE will continue to implement its inspection and enforcement responsibilities in Tennessee and in Oklahoma. In May 1984, the Secretary authorized OSMRE to assume direct operation of inspection and enforcement responsibilities in Tennessee. This action was taken pursuant to Section 733 of OSM's regulations, because the State's inspection and enforcement program was not operating effectively, and constituted a partial Federal takeover of the Tennessee program. Subsequently, Tennessee ceded responsibility for its entire regulatory program to OSMRE.

The Federal program in Tennessee requires OSMRE to administer and implement all aspects of the regulatory program including not only inspection and enforcement, but also bond determination and bond release functions, land unsuitability petitions for mining activities, the entire permitting process, assessment of violations cited, assessment conferences, and the Small Operator Assistance Program. In addition, OSMRE has been inspecting two-acre sites in the State in accordance with a 1985 Settlement Agreement concerning two acre mine sites; as of December 31, 1985, OSMRE had completed inspections for all 112 sites listed in an inventory of sites claiming the exemption that OSMRE had developed, and had taken enforcement actions as necessary.

In Fiscal Year 1985 Tennessee was taking steps to regain primacy and had submitted a draft statute to OSM, an essential step for regaining primacy. The Governor subsequently submitted the document to the State Legislature. However, the State Legislature adjourned in Fiscal Year 1985 without acting on the proposal. Consequently, even if the State Legislature had enacted the proposal in 1986, Tennessee could not regain primacy in the near future. It is now projected that Tennessee will not regain primacy before Fiscal Year 1988.

OSMRE has also been working with the State of Oklahoma to correct deficiencies in permitting and bonding, since assuming responsibility for the partial enforcement of coal mining regulations and statutes in the State in May 1984. The State submitted plans to reassume the inspection and enforcement activities and resolve the problems in permitting. OSMRE reviewed the plans and met with State officials to clarify all remaining issues. The State subsequently revised the plans and a public hearing was held. Oklahoma's final plans for inspection, enforcement, and permitting have now been approved by OSMRE. OSMRE assistance will continue into 1986 at a reduced level; the amended 1986 budget includes resources at approximately half of the 1985 level. OSMRE now expects Oklahoma to resume full regulatory authority no later than the end of Fiscal Year 1986. On January 1, 1986, OSMRE returned authority to Oklahoma to conduct inspections for inactive mine sites. OSMRE still retains authority for the inspection of active sites and follow-up inspections. In order to regain authority for active sites, the State must go back and reevaluate bonds and permits; if its performance is adequate, the State will be given authority to conduct inspections for active sites as permitting and bonding actions are completed.

Statistical sampling is a integral element of OSMRE's inspection activity; approximately 59 percent of the Federal inspections in primacy States are for this purpose, although samples are selected to give a 95 percent level of confidence. Instead of conducting inspections at all mine sites in each State, OSMRE uses a sampling methodology that is based on the premise that a statistically structured program of random inspections allows OSMRE to make valid inferences about the State's regulatory performance. OSMRE effectively uses available resources and makes valid judgements using the sampling method. Sampling inspections may also identify trends requiring special inspections or case studies, thereby allowing OSMRE to focus its oversight to key areas where program deficiencies exist.

The Fiscal Year 1986 workload includes an estimated 2,700 sampling inspections (excluding special inspections or case studies and citizen complaints); the number of inspections necessary to be 95 percent confident that each State's inspection performance is accurately represented by the sample. The sampling policy is consistent with Section 201(c)(12) of the Act: "to minimize duplication of inspections, enforcement, and administration of the Act." Each inspection includes a review of the permit and an on-the-ground inspection. The purpose of the permit review is to familiarize the inspector with all aspects of the specific mine and reclamation plan before making any determinations. This allows the inspector to evaluate the State's consistency in terms of the application of performance standards in the permit and in monitoring reclamation efforts in the field. OSMRE documents all results and includes any supporting data and analyses. The inspection data is used to help evaluate overall State program performance in the annual evaluation report.

When oversight or citizen complaint inspections reveal possible violations—other than imminent danger of significant environmental harm or danger to the public which require immediate issuance of a Cessation Order (CO)—a 10-day notice is issued to the State. All such notices require written responses from the State regarding the actions taken to resolve the alleged violations. A Federal Notice of Violation (NOV) is issued following a 10-day notice where the violation continues to exist and the State has failed to take appropriate action or to explain adequately its failure to act.

Additional Federal inspections are mandatory in primacy States when any of the following circumstances are evident:

o to address a citizen complaint based on information (oral followed by written) that an imminent danger of significant environmental harm or imminent danger to the health or safety of the public exists for which the State regulatory authority has failed or is unable to take immediate, appropriate action; and

o to follow-up on inspections resulting from previous Federal enforcement actions taken by OSMRE personnel to ensure that appropriate steps are being taken by the State.

In addition, OSMRE conducts inspections in cases where the State regulatory authority fails within 10 days after a notice is issued to take appropriate action or to show good cause for such failure and transmit notification of its action to the appropriate OSMRE State Office. However, OSMRE is exploring options to allow a State to request a review of an OSMRE inspector's action in certain cases. This review would not occur in cases of significant environmental harm or imminent danger as noted above, nor in cases where there was clear agreement between OSMRE and the State that a violation had occurred but was not cited by the State. Instead, the review process would address those circumstances in which the State and OSMRE disagreed on whether the State had properly carried out its approved regulatory program requirements. The State would have a limited time in which to pursue this review with OSMRE management officials. At present, options for implementing this review process are being developed for potential implementation. However, implementation will not occur until after OSMRE carries out a pilot test of a selected option in several field locations and assesses the results.

The following workload tables show OSMRE inspection activity by State in FY 1985.

TABLE 4
OSMRE OVERSIGHT OF STATE REGULATORY PROGRAMS
For October 1, 1984 to September 30, 1985

STATES 1/	SAMPLING INSPECTIONS	OTHERS 2/	NUMBER OF TEN-DAY NOTICES ISSUED	NUMBER OF OSMRE ISSUED	
				NOTICES OF VIOLATIONS	CESSATION ORDERS
AK	1	6	1	0	0
AL	198	212	98	14	18
AR	45	23	12	8	5
CO	36	3	9	0	0
IL 3/	90	38	52	1	2
IN	234	93	76	5	1
IA	30	7	18	0	0
KS	50	11	6	0	0
KY 3/	446	643	137	32	29
LA	5	0	1	0	0
MD	83	12	6	1	0
MO	47	44	23	2	0
MT 3/	14	16	2	0	0
NM 3/	7	17	3	6	0
ND	85	1	6	0	0
OH	328	79	91	4	3
PA	312	628	44	34	25
TX	16	15	8	4	0

1/ Only States with coal mining within their borders are included.
2/ This number includes all inspections other than sampling inspections.
3/ NOVs and COs reflect combination of those issued on State regulated lands. Indian lands, and Federal lands.
4/ West Virginia issues a separate ten-day notice for each violation.

TABLE 4 (cont.)
OSMRE OVERSIGHT OF STATE REGULATORY PROGRAMS
For October 1, 1984 to September 30, 1985

STATES 1/	SAMPLING INSPECTIONS	OTHERS 2/	NUMBER OF TEN-DAY NOTICES ISSUED	NUMBER OF OSMRE ISSUED	
				NOTICES OF VIOLATIONS	CESSATION ORDERS
UT 3/	16	4	6	1	0
VA 3/	217	227	21	32	28
WV 4/	225	264	73	1	0
WY 3/	35	2	1	0	0
TOTALS	2,320	2,345	694	145	111

The total planned Federal inspections workload for Fiscal Year 1987 is as follows:

Sampling Inspection	Indian 5/ Mine Inspections	Federal 6/ Program Inspections	Others	Federal 7/ Lands Inspections	Total Federal Inspections
2,700	100	12,200	2,500	500	18,000

TABLE 5
FY 1985 FEDERAL INSPECTIONS: TENNESSEE and OKLAHOMA

STATES	FEDERAL INSPECTION *	NOTICES OF VIOLATION	CESSATION ORDERS	PROJECTED INSPECTIONS FISCAL YEAR 1986	PROJECTED INSPECTIONS FISCAL YEAR 1987
OK 8/	3,192	315	143	3,300	(return of full) authority)
TN	10,829	863	430	11,500	12,000
TOTALS	14,021	1,178	573	14,500	12,000

* This figure includes aerial inspections.

1/ Only States with coal mining within their borders are included.

2/ This number includes all inspections other than sampling inspections.

3/ NOVs and COs reflect a combination of those issued on State regulated lands, Indian lands, and Federal lands.

4/ West Virginia issues a separate ten-day notice for each violation.

5/ Includes AZ, MT, NM, SD and WY.

6/ Includes TN, GA and WA.

7/ Inspections on Federal lands without cooperative agreements.

8/ Includes NOVs and COs issued on Federal lands.

The Regulation and Inspection component also has provisions for addressing citizen complaints. Citizen complaints received by OSMRE in primacy States are referred directly to the State agency. Upon receipt of citizen complaints that provide evidence that an imminent danger of significant environmental harm or immediate danger to the public exists or those indicating that the State has failed to take appropriate action, OSMRE will conduct an immediate Federal inspection pursuant to Section 521(a)(1). A designated State official will be notified of this action prior to the inspection. If a Federal inspection is to be conducted, the citizen is notified and given the opportunity to accompany the inspector.

In States that do not have an approved regulatory program, OSMRE will continue its direct inspection and enforcement activities. The regulated facilities on Federal lands in those States that have cooperative agreements with OSMRE will be subject to OSMRE oversight inspections for Federal lands which are similar to OSMRE oversight inspections of facilities on non-Federal lands. In the absence of a cooperative agreement, OSMRE will conduct Federal lands regulatory programs that include inspection, enforcement, and assessments and collections activities.

OSMRE is also addressing the two-acre exemption problem in Kentucky and Virginia within this component. A number of coal operators in these States have abused the provisions of Section 528 of SMCRA that permit mining operations to be unpermitted and unregulated if the total affected areas is two acres or less. Pursuant to a 1985 Settlement Agreement, OSMRE initiated an effort to address this problem, and is proceeding with the objective of completing its requirements to assure appropriate action by the end of Fiscal Year 1987, well in advance of the time required by the agreement.

As of January 14, 1986, OSMRE's inventory of sites that have claimed or do claim the two acre exemption in Kentucky consisted of 2,047 surface coal mining operations. OSMRE initially estimated that more than 80 percent of these sites did not meet the exemption criteria specified in the Act. There has also been concern regarding the State's inspection efforts to enforce on cited violations. Consequently, OSMRE increased its oversight activities. Sites inspected by the State are being inspected by OSMRE to determine the thoroughness of the State's review/inspection program and ensure appropriate follow-up. In addition, coal exploration sites are being investigated to determine whether they are subject to the Act, and appropriate action is to be taken where necessary. Kentucky has completed a review/inspection/enforcement program of 2,000 two-acre sites listed in the inventory, and issued 716 notices of non-compliance and 336 cessation orders. Although the State now appears to be issuing better permits, efforts to clear up problems with old permits require improvement. As of January 14, 1986, OSMRE's review of 182 sites certified by the State as in compliance resulted in the issuance of 38 ten day notices and 8 cessation orders. In addition, it was determined that 422 sites owed AML fees.

In Virginia, OSMRE initially estimated that over 90 percent of the State's two-acre permits did not meet all exemption criteria. The vast majority of problem sites were exempted during the interim program, before the State attained primacy. Virginia lacks the authority to address the problem for pre-primacy two-acre sites and OSMRE has accepted this responsibility. This requires OSMRE to review a large number of mine sites. OSMRE has compiled an inventory of post-Act/pre-primacy two-acre sites that now contains 1,851 sites. This inventory can be amended as additional sites are identified. Of the first 80 sites inspected by OSMRE, 13 required notices of violation and 4 cessation orders were issued.

OSMRE is not seeking a change to SMCRA which would abolish the two acre exemption. However, in an effort to control the impact of two-acre abusers, OSMRE will encourage State regulatory authorities to begin permitting and regulating two-acre sites as a part of the State program. This would contribute significantly to reducing abuse in the future while allowing legitimate two-acre sites to operate consistent with local conditions.

Increased activity associated with bond forfeiture problems in Kentucky and Virginia will also occur within this program component in Fiscal Year 1986 and continue in Fiscal Year 1987. Many of the mine sites in question are interim program sites, and the majority of bonds released by States have been interim program bonds as opposed to permanent program bonds. OSMRE will provide for the inspection of the mine sites, and determine whether it or the State is responsible to take actions that will assure compliance. Additional activities will include the examination of all bond forfeiture records and inspection of sites on a priority basis, if it is determined that the State is not responsible for the inspection.

3. Small Operator Assistance Program

Each State with coal mining within its borders has a program to assist operators of small mines. OSMRE provides policy direction and programmatic assistance to States with primacy that participate in the nationwide Small Operator Assistance Program. Also, a direct Federal SOAP program is available in States with Federally-administered programs. In addition, OSMRE provides grants to the States to pay for hydrologic/geologic studies and for laboratory analyses of water and core samplings required for permitting purposes. SOAP grants are funded from the Abandoned Mine Reclamation Fund (AML) appropriation.

OSMRE conducts an annual evaluation of each State's SOAP to assess each program's effectiveness. The review includes the evaluation of eligibility determinations, efforts to inform potential small operators about possible assistance, data management, and contracting procedures. These evaluations are based on reports and other information submitted by the States, and on limited mine site visits.

4. Federally-Administered State Programs

Section 504 of the Act requires that a Federal program be implemented in a coal-producing or a coal-exploration State which does not submit a regulatory program or fails to have its program approved. In addition to Federal program actions in Tennessee and Oklahoma (which are addressed in the Regulation and Inspection component), Federal programs will continue to be implemented in Georgia, Idaho, Massachusetts, Michigan, North Carolina, Oregon, Rhode Island, South Dakota, and Washington.

Federal regulatory programs include the application of coal exploration, unsuitability, bonding, permitting and performance standards of the Act.

OSMRE is the permitting authority and performs monthly inspections of the inspectable units (exclusive of the exploration operations). When these non-primacy States request primacy and receive approval, as some of them may, the Federal program will shift to oversight activities. Of the States expected to remain under Federal programs in Fiscal Year 1986, only five are expected to have mining operations.

5. Federal Lands Program

This program component includes negotiation and monitoring of cooperative agreements with States to regulate coal mining on Federal lands. It also includes direct OSMRE regulatory activities on Federal lands in States without cooperative agreements. Federal financial assistance to the States for implementing cooperative agreements is funded from the State Regulatory Program Grants activity.

6. Indian Lands Program

Until special legislation is enacted by Congress, OSMRE is the sole regulatory authority on Indian lands, because the Act allows neither for State or Tribal regulation of Indian lands. Three Tribes currently have coal mining activity on their lands. Legislative options to allow Indian Tribes to regulate mining activities on their lands are currently being assessed by Congress. For budgetary purposes, OSMRE assumes that enactment and rulemaking will be a lengthy process. Therefore, no Indian Tribes have been assumed to have primacy in Fiscal Year 1987.

Direct costs for inspecting mines on Indian lands are included in the Regulation and Inspection component. The Indian Lands component includes: the Federal cost for negotiating and monitoring cooperative agreements with the Tribes; preparing or reviewing any pertinent regulations, legislative proposals, or reports; and maintaining a staff to coordinate OSMRE activities with the individual Tribes. Funding for cooperative agreements with the Tribes for tribal developmental activities is included in the State Regulatory Program Grants activity. Funding for the review of permits, including mining and reclamation plans, is included in the Technical Services and Research subactivity.

Decrease for Fiscal Year 1987	1987 Base	1987 Estimate	Dec. (-)
($000s)	18,968	17,578	-1,390
(FTE-T)	311	301	-10

The decrease in Fiscal Year 1987 reflects reductions for: (1) completion of inspection and enforcement activities in Oklahoma; (2) non-recurring costs and phasing down of two-acre abuse activities in Kentucky and Virginia; and (3) funds provided in 1986 to carry out reclamation work in cases where performance bonds are forfeited and OSMRE is the regulatory authority.

In May 1984, OSMRE assumed responsibility for the partial enforcement of coal mining regulations and statutes in Oklahoma. Since that time, OSMRE has been working with State officials to resolve all remaining issues, as well as carrying out its regulatory responsibilities. OSMRE will gradually phase down its activities in Oklahoma during Fiscal Year 1986 as the State implements its program to resume full regulatory authority by October 1, 1986. This will enable a reduction of $500,000 and 9 FTEs for Fiscal Year 1987.

In Fiscal Year 1987 OSMRE will continue its efforts to address two-acre abuses in Kentucky and Virginia as required under the court agreement. A reduction of $393,000 and 1 FTE from the FY 1986 level, however, is proposed to reflect the non-recurrence of costs for aerial inspections and program start-up operations that occurred in 1986. OSMRE will complete its activities in this area by the end of Fiscal Year 1987.

In Fiscal Year 1986, language was enacted that was intended to provide an indefinite no year appropriation so that OSMRE, as the regulatory authority, could perform reclamation in cases where performance bonds have been forfeited. However, the Department of the Treasury interpreted the language as providing definite one year authority of $497,000 in addition to the indefinite no year authority. This is contrary to the actual intent of the provision, which was to provide indefinite no year authority only, since such reclamation work is only required when bonds are forfeited, and any funds that accrue must be available until work can proceed. The proposed language will maintain and clarify the provision for indefinite no year authority, thus enabling OSMRE to carry out its responsibilities. Accordingly, the definite authority amount of $497,000 that was provided in Fiscal Year 1986 is proposed for deletion.

The object class distribution of the proposed decrease is as follows:

	FTE	$
Personnel	-10	-330,000
Personnel Benefits		-35,000
Travel		-25,000
Communications, Utilities, and Miscellaneous Charges		-10,000
Other Services		-970,000
Supplies		-10,000
Equipment		-10,000
TOTAL	-10	-1,390,000

Justification of Program and Performance

Activity: Federal Regulatory Programs
Subactivity: Technical Services, Training, and Research

(Dollar Amounts In Thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
Technical Services, Training, & Research					
$	13,210	12,642	13,181	15,931	+2,750
(FTE-T)	196	196	196	196	—

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
13,210	-568	12,642

As a result of the $568,000 reduction, research funding will be reduced. This will require the deferral until Fiscal Year 1987 of certain projects that were being considered for funding. In addition, both Headquarters and field travel allowances will be reduced; travel will be permitted only in connection with high priority undertakings.

Authorization: 30 U.S.C. 1252 et. seq. (Sections 502, 522, 523, 705(b), and 721(c) Surface Mining Control and Reclamation Act of 1977).

Objectives:

1. Provide scientific/engineering support and technical training, as required, to States operating approved permanent programs and for Federally-administered programs.

2. Initiate research projects and technical studies, issue technical publications and approve experimental practices to meet the needs of approved State programs and Federally-administered programs.

3. Provide technical documentation and expert technical witness capability to support the Secretary in litigation related to SMCRA programs.

4. Analyze State programs for compliance with technical provisions of the approved programs.

5. Process permit applications and mine plans for mining on Federal lands and in States with a Federally-administered program.

6. Provide technical review of petitions to designate lands unsuitable for surface mining.

7. Provide technical support in completing reviews and revisions to regulations.

8. Prepare environmental impact statements (EIS's) and environmental assessments (EA's) for permits and other Federal actions.

9. Provide mine plan review/NEPA compliance assistance for the Federal program in Tennessee.

Base Program:

The Technical Services, Training, and Research subactivity has primary responsibility for the development and update of technical performance standards and regulations for all OSMRE programs. Scientific, engineering, and technical assistance is provided to States with approved programs and to OSMRE inspectors and other personnel engaged in State program oversight and managing Federally-administered programs. Expert technical witness capability is provided for litigation related to the Act or for implementing regulations, as is technical documentation and support in the preparation of briefs and other legal materials.

This subactivity also includes a program of applied short term studies, investigations, and demonstrations which address questions and technical problems identified as a result of States' needs, inspections, performance requirements, and mine operator problems. The special studies program determines the need for potential changes in regulations. Studies supported directly by OSMRE are closely coordinated with the research activities of other Federal agencies, universities, and the mining industry in order to avoid duplication.

Technical services, training, and research functions are administered from two Technical Centers and from the OSMRE Headquarters Divisions of Reclamation Technology, and Permit and Environmental Analysis. Technical Center personnel provide a wide range of technical expertise to State and Federal Regulatory Programs.

A comparison of the Fiscal Year 1987 Base to the Fiscal Year 1987 Estimate is presented below by program component:

Program Component		Fiscal Year 1987 Base	Fiscal Year 1987 Estimate	Inc. (+) or Dec. (-)
1. Technical advice and assistance on regulatory program operational problems	$(000s)	2,365	2,365	—
	FTE-T	57	57	—
2. Technical support for State program evaluation	$(000s)	585	585	—
	FTE-T	13	13	—
3. Judicial and administrative proceedings	$(000s)	467	467	—
	FTE-T	8	8	—

Program Component		Fiscal Year 1987 Base	Fiscal Year 1987 Estimate	Inc. (+) or Dec. (-)
4. Technical studies and applied research	$(000s)	975	975	—
	FTE-T	8	8	—
5. Experimental practices program	$(000s)	360	360	—
	FTE-T	9	9	—
6. Technical Publications	$(000s)	168	168	—
	FTE-T	3	3	—
7. Socio-Economic Studies	$(000s)	306	306	—
	FTE-T	5	5	—
8. Outcrop and Underground Fire Control	$(000s)	105	105	—
	FTE-T	1	1	—
9. Mine Plan Review/NEPA Compliance	$(000s)	7,250	7,250	—
	FTE-T	86	86	—
10. Technical Training	$(000s)	600	3,350	+2,750
	FTE-T	6	6	—
Subactivity Total	$(000s)	13,181	15,931	+2,750
	FTE-T	196	196	—

1. Technical Advice and Assistance on Regulatory Program Operational Problems

Surface coal mining is invariably accompanied by technical problems which are frequently beyond the capabilities of individual State and Federal inspectors, mine operators, and other program staff. Staff in this component provide technical assistance to OSMRE field personnel and States to resolve: (1) operational issues identified in evaluation reports; (2) scientific analysis in support of an inspector's findings; and (3) technical support to State SOAP programs. State officials frequently request OSMRE technical assistance to analyze proposed amendments to State statutes and advice on policy implementation of performance standards in diverse areas such as hydrology, toxic waste, prime farmland restoration, subsidence, and revegetation. In addition, OSMRE has developed technical manuals and other technical guidance documents to assist small operators.

The technical outreach program provides assistance to field offices, regulatory agencies, mining industry, and public interest groups to disseminate, interpret, and implement technical performance standards and provide assistance to resolve on-the-ground problems. Some coordination with other Federal agencies is anticipated to minimize regulatory overlap and duplication, facilitate resolution of technical issues, and exchange technical capabilities. Also, Technical Center staff evaluate and qualify laboratories to conduct SOAP analyses and review technical reports submitted by these laboratories for their technical adequacy.

The Technical Information Center (TIC) at OSMRE Headquarters currently maintains manual and computerized information files on mining, mineral resources, and the surface effects of mining and reclamation. TIC also identifies and catalogs new sources of information. This facility provides technical and compliance support to Federal and State regulatory programs on ground water, revegetation, soil physics, mining technology, ecology, and other subjects. It serves as a central data repository and clearinghouse for information assembled from sources in the public and private sector. During FY 1987, emphasis will be directed toward the development, evaluation, and supply of information for permit applications, regulation compliance, research projects, litigation support, environmental impact statements, and economic analysis.

2. Technical Input for State Program Evaluation

Technical input for State program evaluation helps to ensure that primacy States are satisfactorily executing their approved programs and are complying with the requirements of the Act. Areas where technical input is used during program evaluation include performance bond systems, permitting, performance standards, and blaster certification procedures.

Technical Center staff provide support to OSMRE Field Office staff in conducting annual oversight reviews; jointly determining the specific areas of emphasis for review. Both previous permit reviews and current information (e.g., inspection reports and citizen complaint investigations) are considered in this decision. In FY 1987, the technical centers will continue to provide the field offices with a report on each State for inclusion in the annual oversight report. In addition, less formally structured evaluations are scheduled as appropriate to provide States with feedback on their program performance.

During FY 1987, technical staff will continue to assist States in correcting deficiencies discovered as a result of OSM's oversight evaluation efforts. For example, as a result of OSM's oversight evaluation efforts and subsequent 733 action in Oklahoma in 1984, the State is receiving technical assistance from OSMRE to improve its inspection and enforcement programs in order to regain primacy. OSMRE has also assisted Iowa in the area of technical permit review in order to help upgrade permits that were issued based on inadequate information.

3. Judicial and Administrative Proceedings

Within this component, OSMRE specialists develop technical documents and appear at enforcement actions such as conferences with an operator or Administrative Law Judge (ALJ) hearings. The following technical and professional support activities are required:

(1) review of the statutory and regulatory basis for each disputed regulatory or State program issue;

(2) review of the engineering and other technical literature on the subject, including recent studies and research;

(3) analysis of alternative technical and regulatory solutions to the issues presented, including consultation with other technical experts or management to arrive at a consensus; and

(4) formulation of a legally defensible position which is able to withstand technical scrutiny.

The type of staff support varies on a case-by-case basis and depends on the number and complexity of the issues involved. However, past experience indicates that support for each case averages between 3 and 4 person weeks of effort. Some proceedings have required substantial field work and/or input from technical experts and engineering analysis to support OSM's position.

The Solicitor's Office has historically handled 135 to 140 cases per year. Due to the additional enforcement activity that is now occurring, the case load will increase to about 1,000 per year. Technical input has been required in approximately half of these cases. Under State primacy, the number of ALJ cases is decreasing. However, there has been no corresponding decrease in court cases. More complex cases are brought against either OSMRE alone or both OSMRE and the State regulatory authority. Assisting the Solicitor and the Department of Justice in litigation involving the regulatory program is expected to require another 5 staff-years of effort.

4. Technical Studies and Applied Research

The purpose of the technical studies and applied research component is to solve problems using State-of-the art techniques in regulatory implementation and compliance. The program is responsive to the needs of State program administrators, Federal enforcement personnel, citizens, and industry. Studies produce answers to problems faced by regulatory agencies at the State and Federal level, assist the industry in achieving regulatory compliance, and are used to revise regulations.

The projects can be proposed by: OSMRE Headquarters and Technical Center personnel; staff at field offices; technical members of State regulatory agencies; universities; consultants; mining companies; and other Federal government agencies. Proposals are reviewed by a committee of representatives from the OSMRE Technical Centers and Headquarters and, if certain mining-related technical expertise is required, the Bureau of Mines (BOM). The committee numerically ranks each proposal on the basis of need, probability of success, length of study, and cost. These proposed studies can be conducted by OSMRE or through unsolicited proposals, joint studies, cooperative agreements, competitive contracts, or grants.

Joint studies with other Federal government agencies (e.g., BOM or EPA) and cooperative projects with State authorities, for which costs are shared, ensure the most effective use of research dollars and expand the information sources of each agency. BOM also conducts long term studies in which OSMRE is a recipient of the data, but does not contribute to funding. Close coordination between the two agencies assures that there is no duplication of research efforts. Similar coordination occurs with the Geological Survey, Fish and Wildlife Service, and Department of Agriculture.

The studies conducted by OSMRE are of a short term (less than 3 years) nature. Areas of research in Fiscal Year 1986 are listed below.

Subsidence Control - Subsidence prediction and control technologies studies are designed to reduce surface land and structural damage resulting from underground coal mining operations. They include predicting the extent of controlled subsidence resulting from longwall mining and developing procedures for innovative methods to predict and model ground settling. Such studies would not only improve coal recovery, but also the effects of coal mining on the environment and future use of the land.

Hydrologic Studies - These studies examine the effects of surface and underground coal mining on water quality, quantity, and flow direction. Coal mining operations can negatively impact surface water and underground aquifers. Therefore, it is extremely important to design research projects that will not only predict the influence of mining on water sources, but also address what protective measures can be taken to prevent contamination of these sources.

Coal Wastes - These studies determine proper procedures for the disposal of wastes associated with coal production and use. The residue material from coal mining and burning must be disposed of in an environmentally safe manner. Therefore, these research projects will explore new disposal methods or alternative uses for this waste.

Mine Land Reclamation/Revegetation - These studies will investigate improved mine land regrading and revegetation methods, procedures, and equipment. By determining vegetation species best suited for proper and rapid reclamation, these studies will assist in restoring mined land to its original vegetative configuration.

5. Experimental Practices Program

Under SMCRA, States can request approval for individual performance standard variances or experimental practices through the Experimental Practice program. An experimental practice is an alternative to an accepted method of reclamation or control. For example, a sedimentation pond to catch water and sediment runoff from a mine area is the usual control method, but there may be other methods which work better or more economically.

OSMRE encourages technological advances in mining and reclamation practices and in the development of alternative postmining land uses. Each experimental practice request is evaluated on its individual merits. An experimental practice is initially proposed and developed by the mining company and submitted through the State as an alternative in meeting statutory or regulatory requirements. The typical proposal requires an average of four months to review. This review includes State and Federal pre-application informal reviews, consultations, and field visits.

After formal submittal, OSMRE technical specialists complete an evaluation of the proposal. If approved, the proposal is monitored and reviewed by a third party during implementation. Technical Center staff also assess State implementation of the experimental practice. Data from the project is analyzed and a final report is developed by OSMRE with assistance from the State and the operator. Information on subsequent results of the experimental practice are made available through the Technical Information Center or a technical publication.

The experimental practices program is an effective way to develop more efficient and economical methods and procedures to meet regulatory requirements. In Fiscal Year 1986, OSMRE will initiate a strong program to improve the state-of-the-art of reclamation technology. This program will be developed through a public process to ensure that the knowledge, skill, and experience of all interested parties are brought to bear on the problem. There will be two major components of this program. One is the funding of research and development and the other is collecting and disseminating technical information on the results. OSMRE will involve not only public and private entities, but also utilize other Federal resources such as the Bureau of Mines, U. S. Geological Survey, and Department of Energy. In Fiscal Year 1986, eight to ten experimental practices are likely to be funded.

Examples of experimental practices submitted by coal operators and approved by OSMRE are shown below:

State	Regulation Variance	Topic	Submitted	Approved
VA	816.73 Excess spoil fills	Economical and structural approaches to durable rock and standard fills	1/84	1/84
OH	816.71 Excess spoil disposal	Stability of spoil fills	6/84	7/84
OH	816.45 Sediment control	Alternative to sedimentation pond—method of sediment control	4/85	5/85

6. Technical Publications

This component provides professional assistance in the writing, editing, design, production, and dissemination of OSMRE publications for technical or general audiences. The publications are prepared to assist various audiences in understanding statutory and regulatory requirements and to disseminate technical methods for achieving the goals of the Act. Also prepared are informational and educational products such as OSMRE's Annual Report, exhibits, slide presentations, and briefing materials. Information on revised regulations is regularly provided to State Regulatory Authorities, the coal industry, and the public through specific technical materials dealing with the revised topical areas of the regulations (e.g., backfilling and grading, postmining land use variances).

7. Socio-Economic Studies

Workload in this component includes varied economic and analytical support to OSMRE program areas, particularly to National Environmental Policy Act (NEPA) and Mine Plan activities, and the maintenance of a data base of economic indicators on the coal industry. As appropriate, the staff is responsible for preparing a number of economic studies to support EIS's, rulemaking actions, unsuitability petitions, and other general economic studies related to OSMRE's mission (such as assessment of recent General Accounting Office proposals for cost recovery).

The staff assures OSMRE's compliance with Executive Order 12291 and provides analytical support for the Department's scheduled five-year and ten-year reviews of regulations in accordance with the Regulatory Flexibility Act. The staff also executes special studies, such as analyses of coal supply and demand, which are used to evaluate petitions to designate land unsuitable for coal mining. In addition, the staff evaluates studies conducted by other Federal agencies, States, and the private sector to determine their applicability to OSMRE's programs.

8. Outcrop and Underground Fire Control

Pursuant to Public Law 83-738, funds are provided to control and extinguish outcrop and underground fires. Outcrop fires exist in many Western States where lightning, brush fires, or campers ignite coal exposed on the surface at outcrops. Since these fires are not necessarily associated with abandoned mines or pose any immediate health threats, they are not eligible for AML funding. However, they do present a hazard to local timber, pastures, and air quality and consume resources which might be mined in the future.

Funding for this component has remained stable for the last several years and allows OSMRE to undertake a few new projects each year. These projects identify the cause and extent of outcrop and underground fires in coal formations and methods for controlling or extinguishing such fires. Such projects include surveys, investigations, and research.

9. Mine Plan Review/NEPA Compliance

a. Mine Plan Review

Provisions of the permanent regulatory program for Federal and Indian lands and Federally-administered regulatory programs in non-primacy States set forth the requirement that certain mining operations and major modifications of existing operations have a mine plan and permit approved by the Department. Within the Department, OSMRE has lead responsibility for Federal mine plan review and related NEPA compliance activities. Mine Plan Review/NEPA compliance activities precede permitting decisions affecting Federal coal. The Assistant Secretary for Land and Minerals Management approves and disapproves mining plans on Federal lands; the Assistant Secretary for Indian Affairs approves and disapproves mining plans on Indian lands. The administrators of the two OSMRE Technical Centers approve mining permits in those States with a Federally administered regulatory program. This responsibility occurs in those States that have had primacy withdrawn, have selected not to enter into cooperative agreements, or do not have a full permit delegation cooperative agreement.

The specific procedures and time requirements for each phase of the Mine Plan Review/NEPA Compliance process are: administrative completeness review of the permit application package (PAP) (1-2 months); technical review of an administratively complete PAP (1-2 months); and preparation of findings and supporting documentation and environmental analysis (1-3 months) and/or environmental impact statement (EIS) (up to 12 months). EIS's are usually required in processing the PAP for a new mining operation where significant impacts have not been previously analyzed. At the beginning of FY 1986, OSMRE was preparing six EIS's on mining plans: CX Ranch; Keeline; East Gillette; Fruita; Dryfork; and Black Mesa (Indian land). OSMRE expects to begin work in FY 1986 on three others. OSMRE will complete three EIS's in FY 1986 and the remaining six will carryover into FY 1987.

The anticipated workload for mine plan review activities is illustrated by Tables 6-9. The tables provide workload data for the Federal Lands Coal Management Program (Federal Lands & Cooperative Agreements and Federal Lands as the Regulatory Authority), Federal Program (Federally-administered State programs), and Indian Lands Coal Management Program. The Federal Lands Coal Management Program (Table 6) identifies workload requirements which are accomplished by both OSMRE and the States under cooperative agreements. Where an approved cooperative agreement is in place, States have control over the time of initiation and completion of these workload requirements. Table 7 provides workload requirements to be accomplished by OSMRE. The Federal Program (Federally-administered State programs) and Indian Lands Coal Management Program workload measures (Tables 8 and 9, respectively) highlight the workload for which OSMRE has primary responsibility.

The majority of the Federal workload for all four programs will be performed by the Eastern and Western Technical Center staffs. In addition, OSMRE has resumed primary responsibility for reviewing operational and reclamation plan portions of mining plans. In the past, OSMRE had encouraged States to conduct these reviews through cooperative agreements. However, as a result of a decision by Judge Thomas Flannery of the U. S. District Court of the District of Columbia on July 6, 1984, the Secretary must independently review the operation and reclamation plan portion of a permit application and then make a determination on its adequacy.

The Fiscal Year 1986 cumulative workload includes a total of 323 permit applications and 10 EIS's. The majority of this work is for permit applications on Federal lands. This workload includes 130 new applications expected to be received during the year and 193 applications carried over from Fiscal Year 1985. By the close of Fiscal Year 1986, 200 permits should be issued. During Fiscal Year 1987, the workload is expected to include 10 EIS's and 254 permit applications, of which 131 will be new applications and 123 will be those carried over from Fiscal Year 1986. By the close of Fiscal Year 1987, it is expected that 197 of these permit applications will be approved and issued.

Mining plans and permits require maintenance and revision. Activities that fall under permit maintenance and revision include mine plan modifications, permit renewals or revisions, compliance with special conditions attached to a mining plan or permit, the technical assessment of proposed abatements of notices of violations as requested by the Field Offices, mid-term permit reviews, and conversion of Federal permits under cooperative agreements. It is anticipated that there will be 272 maintenance and revision actions in process at the beginning of Fiscal Year 1986 and 677 new actions in that year for a cumulative workload of 949 for Fiscal Year 1986. Of the 606 actions to be completed in Fiscal Year 1986, 343 will be carried over to Fiscal Year 1987. It is anticipated that 769 new actions will occur in Fiscal Year 1987 for a total of 1,112 actions in that year. It is also anticipated that 668 maintenance and revision activities will be accomplished in Fiscal Year 1987.

Section 511(c) requires a mid-term permit review in order to allow statutory review of mines repermitted in Fiscal Years 1984 and 1985. These mines received five-year permits that must be reviewed midway during the permitting period. Additionally, both the Act and OSMRE regulations require other reviews of variances for approximate original contour, restoration requirements for steep slope mining, mountaintop removal, and experimental practices, as well as variances for delays in contemporaneous reclamation in combined surface and underground mines. The mid-term permit review determines whether permits will require revisions or modifications during the permit term. Revisions or modifications must be based on written findings and are subject to the notice and hearing requirements of the permanent program. It is expected that about 39 permits will be reviewed through the mid-term review process in 1986.

Additionally, the workload in this component includes permitting functions in Tennessee, where a full Federal program has been operating since October 1, 1984. As a consequence of this action, OSMRE has lead responsibility for mine plan review and permitting activities, lands unsuitable petitions, and other technical service functions related to the release of performance bonds and bond forfeitures in Tennessee. In addition, certain mining permits that were issued by the State have been reviewed to determine their consistency with the State's approved permanent program regulations. The Federal program will now be in place in Tennessee at least through Fiscal Year 1987.

The Division of Tennessee Permitting consists of a staff of 46, including a task force of 10 from TVA. At the beginning of FY 1986, there were approximately 236 existing permits which needed to be updated and/or revised. Approximately 159 new permit applications and 80 existing active tipples had not been permitted under the Tennessee State program. The new permit applications and the tipples will be processed for permit issuance. In addition, the anticipated annual workload for FY 1986 also includes approximately 100 new permit applications and revisions.

b. Support for BLM Leasing Actions and Unsuitability Petition Processing

This program component also includes OSMRE support for BLM pre-leasing actions involving Federal coal resources and Federal processing of petitions requesting that an area be designated unsuitable for coal mining. These workloads are included in the Federal Lands Coal Management Program tables (Tables 6 and 7). Although new leasing activity has been curtailed workloads stemming from previous commitments will continue in Fiscal Year 1986.

OSMRE provides technical assistance and policy guidance for the development of Federal coal leasing tract nominations and the preparation of regional and site-specific EIS's and EA's. Participation in these pre-leasing activities assures that NEPA compliance analyses prepared for leasing actions will reduce the potential for having to prepare an EIS for these new leases.

Under Section 522 of the Act, when an unsuitability petition is filed and OSMRE is the regulatory authority, the Secretary is responsible for determining whether or not the lands are unsuitable for mining. During Fiscal Year 1985, OSMRE is processing three lands unsuitable petitions: the Black Diamond petition in Washington; the Red Rim in Wyoming; and the Rock Creek in Tennessee. Based on prior years' experience and input from citizen and environmental groups, it is estimated that seven new lands unsuitable petitions will be processed in Fiscal Year 1987.

c. Other NEPA Compliance Activities

OSMRE is also responsible for preparing required NEPA compliance documents for other OSMRE actions. These compliance documents may be in the form of an environmental assessment (EA) or an environmental impact statement (EIS) depending on the significance of the action. It is anticipated that 265 minor NEPA compliance documents for regulatory actions will be prepared in Fiscal Year 1987.

TABLE 6

Summary Sheet

Federal Lands Coal Management Program Workload Analysis 1/

(Federal Lands and Cooperative Agreements)

Activity	Projected Workload	
	FY 86	FY 87
I. Review for Mining Plans and Permits		
A. Applications for New Operations and Repermitting		
1. On hand beginning of F.Y.	22	11
2. Anticipated during F.Y.	14	15
3. Workload total for F.Y.	36	26
4. Actions completed during F.Y.	25	19
5. BALANCE-Pending at end of F.Y.	11	7
B. Maintenance and Revision of Mining Plans and Permits 2/		
1. On hand beginning of F.Y.	17	26
2. Anticipated during F.Y.	72	70
3. Workload total for F.Y.	89	96
4. Actions completed during F.Y.	63	72
5. BALANCE-Pending at end of F.Y.	26	24
C. NEPA Compliance		
1. EIS's on hand beginning of F.Y.	5	5
2. EIS's anticipated during F.FY.	3	2
3. EIS workload total for F.Y.	8	7
4. EIS's completed during F.Y.	3	5
5. BALANCE-Pending at end of F.Y.	5	2
6. EA's and FONSI's completed in F.Y. 3/	86	89
II. Support of BLM Leasing Actions		
A. NEPA compliance-EIS as cooperating agency	8	11
B. Proposed lease tract analysis	0	0
III. Petitions to Designate Federal Lands Unsuitable for Coal Mining Operations		
1. Petitions on hand beginning of F.Y.	1	2
2. Petitions anticipated during F.Y.	2	1
3. Petition workload total for F.Y.	3	3
4. Petitions completed during F.Y.	1	2
5. BALANCE-Pending at end of F.Y.	2	1
IV. Applications for exploration permits received and approved	1	1

1/ Workload described in this table includes OSMRE's responsibilities within States with cooperative agreements. Utah is included by a funding cooperative agreement arrangement.

2/ This includes mining plan modifications, permit renewals or revisions, compliance with special conditions, abatement analysis, mid-term permit review, and conversion of Federal permits under cooperative agreements.

3/ This number comes from the total permitting actions completed during F.Y., less those associated with an EIS.

NOTE: Sub-category 5 under each section is the same as sub-category 1 in the following fiscal year.

TABLE 7

Summary Sheet

Federal Lands Coal Management Program Workload Analysis 1/

(Federal Lands as the Regulatory Authority)

Activity	Projected Workload	
	FY 86	FY 87
I. Review for Mining Plans and Permits		
A. Applications for New Operations and Repermitting		
1. On Hand Beginning of F.Y.	7	7
2. Anticipated during F.Y.	11	9
3. Workload total for F.Y.	18	16
4. Actions completed during F.Y.	11	13
5. BALANCE-Pending at end of F.Y.	7	3
B. Maintenance and Revision of Mining Plans and Permits 2/		
1. On hand beginning of F.Y.	6	4
2. Anticipated during F.Y.	19	27
3. Workload total for F.Y.	25	31
4. Actions completed during F.Y.	21	27
5. BALANCE-Pending at end of F.Y.	4	4
C. NEPA Compliance		
1. EIS's on hand beginning of F.Y.	0	0
2. EIS's anticipated during F.FY.	0	0
3. EIS workload total for F.Y.	0	0
4. EIS's completed during F.Y.	0	0
5. BALANCE-Pending at end of F.Y.	0	0
6. EA's and FONSI's completed in F.Y. 3/	18	26
II. Support of BLM Leasing Actions		
A. NEPA compliance-EIS as cooperating agency	0	0
B. Proposed lease tract analysis	0	0
III. Petitions to Designate Federal Lands Unsuitable for Coal Mining Operations		
1. Petitions on hand beginning of F.Y.	0	0
2. Petitions anticiapted during F.Y.	0	0
3. Petition workload total for F.Y.	0	0
4. Petitions completed during F.Y.	0	0
5. BALANCE-Pending at end of F.Y.	0	0
IV. Applications for exploration permits received and approved	0	0

1/ Workload described in this table includes OSMRE's responsibilities within States with cooperative agreements. Utah is included by a funding cooperative agreement arrangement.

2/ This includes mining plan modifications, permit renewals or revisions, compliance with special conditions, abatement analysis, mid-term permit review, and conversion of Federal permits under cooperative agreements.

3/ This number comes from the total permitting actions completed during F.Y., less those associated with an EIS.

NOTE: Sub-category 5 under each section is the same as subcategory 1 in the following fiscal year.

TABLE 8

Summary Sheet

Federal Program Workload Analysis (In States with Federally-administered programs) 1/

Activity	Projected Workload	
	FY 86	FY 87
I. Review for Mining Plans and Permits		
A. Applications for New Operations and Repermitting		
1. On hand beginning of F.Y.	162	102
2. Anticipated during F.Y.	102	104
3. Workload total for F.Y.	264	206
4. Actions completed during F.Y.	162	162
5. BALANCE-Pending at end of F.Y.	102	44
B. Maintenance and Revision of Mining Plans and Permits 2/		
1. On hand beginning of F.Y.	241	302
2. Anticipated during F.Y.	532	617
3. Workload total for F.Y.	773	919
4. Actions completed during F.Y.	471	514
5. BALANCE-Pending at end of F.Y.	302	405
C. NEPA Compliance		
1. EIS's on hand beginning of F.Y.	0	1
2. EIS's anticipated during F.FY.	1	0
3. EIS workload total for F.Y.	1	1
4. EIS's completed during F.Y.	0	1
5. BALANCE-Pending at end of F.Y.	1	0
6. EA's and FONSI's completed in F.Y. 3/	141	143
II. Petitions to Designate Lands Unsuitable for Coal Mining Operations		
1. Petitions on hand beginning of F.Y.	2	3
2. Petitions anticipated during F.Y.	3	5
3. Petition workload total for F.Y.	5	8
4. Petitions completed during F.Y.	2	4
5. BALANCE-Pending at end of F.Y.	3	4
III. Applications for exploration permits received and approved	81	81

1/ Workload described in this table does not include data from Tennessee. These data are discussed in the narrative.

2/ This includes mining plan modifications, permit renewals or revisions, compliance with special conditions, abatement analysis, mid-term permit review, and conversion of Federal permits under cooperative agreements.

3/ This number comes from the total permitting actions completed during F.Y., less those associated with an EIS.

NOTE: Sub-category 5 under each section is the same as subcategory 1 in the following fiscal year.

TABLE 9

Summary Sheet

INDIAN LANDS

Indian Lands Coal Management Program Workload Analysis 1/

Activity	Projected Workload	
	FY 86	FY 87
I. Review for Mining Plans and Permits		
A. Applications for New Operations and Repermitting		
1. On hand beginning of F.Y.	2	3
2. Anticipated during F.Y.	3	3
3. Workload total for F.Y.	5	6
4. Actions completed during F.Y.	2	3
5. BALANCE-Pending at end of F.Y.	3	3
B. Maintenance and Revision of Mining Plans and Permits 2/		
1. On hand beginning of F.Y.	8	11
2. Anticipated during F.Y.	54	55
3. Workload total for F.Y.	62	66
4. Actions completed during F.Y.	51	55
5. BALANCE-Pending at end of F.Y.	11	11
C. NEPA Compliance		
1. EIS's on hand beginning of F.Y.	1	1
2. EIS's anticipated during F.Y.	0	1
3. EIS workload total for F.Y.	1	2
4. EIS's completed during F.Y.	0	1
5. BALANCE-Pending at end of F.Y.	1	1
6. EA's and FONSI's completed in F.Y. 3/	5	7

1/ Workload includes all OSMRE responsibility for SMCRA under 30 CFR 750 for permitting and permit maintenance, NEPA compliance, interagency coordination, and training for Tribal members.

2/ This includes mining plan modifications, permit renewals or revisions, compliance with special conditions, abatement analysis, mid-term permit review, and conversion of Federal permits under cooperative agreements.

3/ This number comes from the total permitting actions completed during F.Y., less those associated with an EIS.

NOTE: Sub-category 5 under each section is the same as subcategory 1 in the following fiscal year.

10. Technical Training

A Technical Training component of this subactivity has been formerly established during Fiscal Year 1985. Its purpose is to improve and maintain the technical skills and professionalism of Federal Inspectors through appropriate education and training. Additionally, a primary focus of the program is to provide training for State Inspectors to improve their technical expertise and, to the extent warranted, to establish consistent standards for inspections among the States holding primacy. State personnel serve on ad hoc teams that oversee the development of these courses and monitor their presentation. Table 10 provides a summary of the Fiscal Year 1985 training program.

OSMRE recently established a specific office to develop and coordinate an extensive training capability. This office will be a focal point for curriculm developement, scheduling, assisting with training contract management, or actually conducting the training. During Fiscal Year 1986, OSMRE will offer courses in such areas as: soil science and revegetation, enforcement procedures, inspection techniques, photo interpretation, hydrology, underground mining techniques, technical writing, safety and hazard recognition/avoidance, and other technical subjects. These courses are adapted to the uniqueness of the coal regions or individual State programs, and are taught at various locations throughout the country.

TABLE 10

SUMMARY OF FY 1985 TRAINING PROGRAM

(NUMBER OF PARTICIPANTS)

TOPICS	STATE	TRIBES	OSMRE	OTHER	TOTAL
BASIC INSPECTION	—	—	27	—	27
SOILS AND REVEGETATION	87	11	61	4	163
SURFACE AND GROUNDWATER HYDROLOGY	84	12	85	7	188
ENFORCEMENT PROCEDURES	39	6	32	—	77
SURFACE MINING REMOTE SENSING WORKSHOP	9	2	19	—	30
ADVANCED AIRPHOTO INTERPRETATION TECHNIQUES	6	—	6	—	12
SEISMOGRAPH	—	—	18	—	18
TOTALS	225	31	248	11	515

(Dollar Amounts in Thousands)

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
($)	13,181	15,931	+2,750
(FTE-T)	196	196	—

OSMRE is proposing a major initiative to improve the capabilities of State and Federal personnel that implement the Act. Administration of the surface mining regulatory program requires knowledge in a variety of areas. Even personnel with extensive experience and education require training on a periodic basis since technological and other changes in regulatory and associated reclamation activities present continuing challenges to managers and staff. OSMRE will work with the States, industry, environmental organizations, and other interested parties to develop training curricula that meet the needs of State and Federal personnel. Training will improve the ability of State personnel to carry out approved regulatory programs, and will enable OSMRE to improve its assistance to States as well as its evaluation capabilities.

Among the key personnel to be trained are Federal and State inspectors and managers. The ability of an inspector to ascertain whether violations of the regulatory program exist is critical to controlling the surface impacts of coal mining. There are two classes of inspectors: Federal oversight inspectors and State regulatory authority inspectors. The Federal inspectors must be knowledgeable of the Federal program, but must also be familiar with the approved program in a primacy State. The State inspector must know the State program well and should have a basic understanding of the Federal program. Inspectors, however, are not the only personnel that require continuous training. In order to effectively manage a regulatory program, key line officials must possess a broad knowledge of the regulatory program, its policies, procedures, and priorities. Therefore, OSMRE will offer training to its Field Office Directors and the management of the State regulatory authority. This training will assist these key managers to work with mutual understanding of the regulatory mandate.

The object class distribution of the proposed increase is as follows:

	FTE	$
Travel		+175,000
Transportation of Things		+25,000
Printing and Reproduction		+50,000
Other Services		+2,400,000
Supplies		+50,000
Equipment	—	+50,000
TOTAL	—	+2,750,000

Justification of Program and Performance

Activity: Federal Regulatory Programs
Subactivity: Assessments and Collections

(Dollar Amounts In Thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
Assessments and Collections					
$	7,250	6,938	7,229	7,929	+700
(FTE-T)	80	80	80	80	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
7,250	-312	6,938

As a result of the $312,000 reduction, several existing staff vacancies will not be filled until Fiscal Year 1987. In addition, other vacancies that occur before the end of the current fiscal year will not be filled unless they are necessary to maintain high priority operations such as assessment conferences and development of the Applicant Violator System, and staff travel will be curtailed.

Authorization: 30 U.S. C. 1232, 1260, 1268 (Sections 402, 510(c), and 518, Surface Mining Control and Reclamation Act of 1977).

Objectives:

1. Implement an approach to collections which motivates operators to abate violations and to pay their debts by reinforcing the principles that delinquency in payment will not benefit the debtor and that operators will always be liable for unpaid debt.

2. Process civil penalty assessment cases outstanding from the Federal interim program.

3. Update and refine the management information systems for assessments and collections.

4. Implement a collections program which provides for the early identification and the timely and effective pursuit of debtors.

5. Assess penalties in a manner which is commensurate to the offense and which deters the likelihood of future violations.

6. Implement a permanent system for withholding approval of mining permits from applicants that have outstanding Failure to Abate Cessation Orders and unpaid AML fees.

7. Provide incentives to States, contract collection agents, and private attorneys, which will allow for cost-effective utilization of outside expertise.

Base Program:

Assessments and collections is a new subactivity that was previously included in the Regulation and Inspection component of the former Program Operations and Inspection subactivity. Assessment and collection functions were reorganized in November 1984 to ensure that this activity would receive priority attention. Functions are administered from OSMRE's Headquarters Division of Assessments and Collections and from the Branch of Compliance in the Division of Regulation and Inspection. This subactivity has 3 components: (1) civil penalty assessments; (2) collections; and (3) compliance. A comparison of the Fiscal Year 1987 base to the Fiscal Year 1987 estimate is presented below by program component.

Program Component		Fiscal Year 1987 Base	Fiscal Year 1987 Estimate	Inc. (+) or Dec. (-)
1. Civil penalty assessments	$(000s)	1,502	1,502	---
	FTE-T	22	22	---
2. Collections	$(000s)	2,927	3,627	+700
	FTE-T	24	24	---
3. Compliance	$(000s)	2,800	2,800	---
	FTE-T	34	34	---
Subactivity Total	$(000s)	7,229	7,929	+700
	FTE-T	80	80	---

1. Civil Penalty Assessments

The assessments process determines the amount of penalty for a violation through an established point system based on regulations. Assessments involves the administrative process from the issuance of a notice of violation (NOV) or cessation order (CO) to a notice of proposed assessment (NOPA), and then proceeds to a final order. Penalties levied under the existing assessment system are intended to be commensurate with the severity of violations, negligence, history of abuse, and operator's good faith, all of which are criteria that characterize fair and effective enforcement.

OSMRE is developing a variety of initiatives to improve the assessments process. For example, the fee schedule for assessing violations is now being reviewed to ascertain how effective it is in meeting the above mentioned program goals. Alternatives to be considered include grouping offenses into classes that are directly linked with the Act's priorities, and allowing for variations in assessment based on considerations such as the length of time which abatement occurs and whether the offense constitutes a repeat violation.

OSMRE is surveying the assessment process used by other regulatory agencies such as MSHA and OSHA to determine whether aspects of those processes might be appropriate for implementation at OSMRE. For example, possible automation of the assessment process is being studied. OSMRE has contacted MSHA to obtain information about its automated assessment system.

All NOVs and COs are now routinely reviewed by field supervisors and managers, and by assessment staff at Headquarters, for substantive and procedural accuracy. Notations are made of any missing items or incomplete information and an immediate request is made to the field to provide this information. A monitoring system has been created to make sure that the information is provided when requested. In addition, a computerized tracking system will be established in all field offices beginning in July 1986 to manage the assessment case workload and to monitor the status of all NOVs and COs issued. OSMRE's current short term goal is to process 95 percent of the assessment case workload within the required 30 day time period.

NOPAs, NOVs, and COs are being revised to make them more understandable and less legalistic. Requirements relating to enforcement action and penalties for non-compliance with these documents are being clearly outlined in the revisions. Deadlines for the delivery of these citations are being met and this activity is routinely monitored by OSMRE through weekly reports. The hand delivery of unclaimed citations is being made by a service contractor and unserved citations are referred to the contractor within seven days.

A case-by-case review of all Title V cases identified in the Collection Management Information System (CMIS) data base is now being conducted. Cases that are shown as not being assessed are reviewed individually to determine if an assessment has actually been made.

OSMRE has always had a program available for operators to raise questions about their violations to the field office. This program, known as the Assessment Conference Officer Program, was formerly limited to a discussion of the factual basis for the cited violation. The conference officers had authority only to review the assessment, not to negotiate a settlement of the issues.

OSMRE plans to decentralize the assessment system by moving functions to field offices, thus placing decisionmaking at the point closet to the location of factors that will affect the decision. OSMRE had previously initiated a pilot program in three field offices and in Oklahoma and Tennessee to determine whether delegating to the conference officer the authority to negotiate settlements of Title V cases, could expedite the incidence of successful abatement and the closing of cases. The results of the program have been dramatic and include the following:

- o Conferencing a backlog of 388 citations, including 463 violations, some of which had been written as early as 1979.
- o Settling 44 percent (207 of a total of 463) of the cases conferenced.

- Abating all violations conferenced except for those that had been previously vacated by inspectors.
- Receiving positive responses from operators regarding the officer's authority to collect penalties and settle cases.
- Developing a profile of operators with citations including the rate of bankruptcy and pending bankruptcy, and the role of Administrative Law Judges in the penalty settlement process.

This program will be expanded in 1986 to include all Title V Federal Program cases. States with primacy will also be encouraged to utilize a conference officer approach.

2. Collections

The collections process involves taking an assessed violation case from final order to closure. Activities included under collections consist of: (1) managing debt collection contractors; (2) applying the various rules and regulations of the Debt Collection Act; (3) maintaining a detailed listing of all accounts receivable; and (4) concluding all outstanding assessed violation cases. The key to a successful collections program is timely identification and vigorous pursuit of all debtors. The program must ensure that avoiding payment of either AML fees or civil penalties does not benefit the debtor. It must also reinforce the basic purpose of the enforcement program, which is not to generate revenue, but to ensure abatement. Therefore, OSMRE does not believe that payment of a penalty without abatement of the violation satisfies the operator's obligations--the violation must also be abated.

Debts owed to OSMRE have historically resulted from unpaid civil penalties for violations of Title V enforcement standards of SMCRA or delinquent AML fees. Currently, there are between 17,000 and 18,000 cases of Title V violations with unpaid fines totaling between $150 to $160 million. The total AML debt is estimated at nearly $30 million. Therefore, the performance of the collections process depends in large part on the ability of the AML and enforcement programs to provide incentives to operators to pay their debts before they become collection problems.

OSMRE is also concerned with eliminating the underlying causes which led to the large collections backlog that currently exists. Consequently, the following initiatives are being implemented in Fiscal Year 1986 which will improve the debt collection program:

1. Listing of Debtors on the Applicant Violator System

As a result of the revised order stemming from the Parker-Gasch settlement agreement, OSMRE must: (1) search and take enforcement actions against long standing violators; (2) ensure that they do not receive new mining permits; and (3) upgrade the existing ADP system to match permit applicants with State violators. Therefore, another initiative related to improving collections is the listing of operators who avoid payment on the automated Applicant Violator System (AVS) for the purpose of denying new mining permits. Consistent with the policy stated above, satisfaction of debts is not sufficient to remove an operator from the AVS; abatement of violations is also required.

There are currently two operating OSMRE systems that contain data elements which must ultimately be employed in the applicant/violator system (AVS): (1) the Collections Management Information System (CMIS); and (2) the Abandoned Mine Land (AML) Fee System. CMIS receives its input from OSMRE field inspectors. The input comes in the form of NOVs and COs. These forms also identify the company to which the NOV and/or CO was issued. The system itself tracks cases and assessments, and maintains a company index. The AML Fee System receives input from three sources: (1) MSHA, in the form of new entities which received MSHA numbers and are therefore, candidates for paying AML Fees; (2) the OSMRE-1 by which coal companies report to OSMRE their quarterly production and fee liability; and (3) the Fee Compliance Officers' update of company identification information through terminals in OSMRE's field offices and their audits of company-submitted production figures, which are entered by the Denver Financial Center. The AML Fee System is primarily an accounting system which tracks fee liabilities and payments. However, both of these systems have been criticized for being too cumbersome to operate and manage. Consequently, during Fiscal Year 1986, both systems will be renovated.

The number of CMIS data elements being maintained has been reduced from 196 to 78. At the same time, a new contractor has been hired to finish loading the CMIS data base and to validate the existing data for the 17,000 cases presently on the system. This validation process, commonly called "scrubbing", will produce a CMIS data base that is highly accurate and reliable. CMIS also has been moved to a new software system. It is now on the M204 DBMS on the U. S. Geological Survey's Amdahl computer. Finally, new documentation is being prepared together with new front-end edits to ensure greater data-entering accuracy. This will allow the creation of baseline data that will be placed in a standard configuration management process as part of an ongoing systems assurance process.

The AML Fee System data base, currently being operated by the Bureau of Mines computer center in Denver, will be converted to OSMRE leased equipment. Not only will this conversion reduce operating costs considerably, it will allow OSMRE to mount the AML fee system in an environment compatible with the M204 DBMS environments of CMIS and AVS; facilitating the conversion of all three systems to an integrated data base in the future. The conversion of the AML fee system is scheduled for the late fall of 1986, with completion by December 1986.

On November 29, 1985, OSMRE awarded a contract for development of the AVS. This contract provides for: systems design, development, and implementation; software maintenance; data conversion, entry, and validation; systems maintenance and operation; and training for the AVS.

The projected timetable for systems development and implementation is as follows:

December 1985 — begin examining State systems and arranging the transfer of data from automated States

March 1986 — begin collecting application/permit information and violator information to establish a data base

August 1986 — initial systems operation

November 1986 — complete data collection, abstraction, entry, and system testing

February 1, 1987 — demonstrate fully operational Applicant Violator System

Presently operating on a manual basis, permit blocking has been found to be an effective enforcement tool. OSMRE will make the system available in stages, adding to the data base as data comes available for loading. The AVS will operate on the M204 DBMS environment on the USGS Amdahl computer and be compatible with the CMIS system.

2. Collection Process for Delinquent Debt

OSMRE's strategy for handling its debt collection responsibilities under SMCRA is based on the idea that OSMRE should employ outside experts in debt collection rather than attempting to duplicate this expertise internally. The features of the new collections process include: (a) clearly defined criteria for determining how the Department of the Interior will deal with all classes of debtors; (b) using collection agents to add to OSMRE's knowledge of violators; (c) pursuing alternative enforcement actions, such as permit blocking, to remove the incentive for avoiding payment and to serve as a deterrent to potential future debtors; and (d) rapid processing of cases to provide an incentive for the timely abatement and payment of debt.

3. Debt Collection Act

As part of its collection effort, OSMRE has implemented provisions of the Debt Collection Act of 1982 (Public Law 97-365, 31 U.S.C. 3711) for the assessment of administrative costs and penalties. The Debt Collection Act authorizes assessment of charges to cover the cost of processing and handling delinquent claims and imposes a 6 percent per annum penalty on debts more than 90 days past due.

4. Debt Backlog

A large debt backlog has accrued. OSMRE has developed and implemented a systematic approach to deal with this problem. The backlog is being broadly categorized. In cases deemed appropriate for collections pursuit, OSMRE will follow a rigorous collection process using telephone contact and a collection agent. Cases found to be uncollectible by the collection agent will be referred to the Office of Solicitor and ultimately to the

Department of Justice for legal action. In addition, these backlog cases will receive debt collection act notices, subjecting them to interest and administrative fees.

Data on these cases will be maintained permanently in the AVS data base as part of the permit blocking system. A contractor will be used to make determinations on an operator's ability to pay. The great bulk of outstanding debt already has been categorized, and appropriate actions are being initiated.

3. Compliance

The compliance function reviews and pursues alternative enforcement actions prescribed by SMCRA for unabated violations. Alternative enforcement activities include developing new rules amending existing rules, preparing directives, and assisting in the oversight of applicable portions of State programs. Compliance activities are organized into four sections. These are: (1) Alternative Enforcement Review; (2) Enforcement Policy Analysis; (3) Permit Coordination; and (4) Field Investigation.

The alternative enforcement review tracks Federal failure-to-abate cessation orders to determine when alternative enforcement actions are necessary. In order to make the necessary determinations, staff members obtain field and other assessment information and conduct reviews of eligible cases for alternative enforcement actions prescribed by sections 510(c), 518(e), 518(f), 521(a)(4), and 521(c) of the Act. This also involves the conduct of net worth determinations on violator entities and individuals in order to determine whether to refer a case to the Office of the Solicitor (SOL) for injunctive relief and/or to impose individual civil penalties.

Enforcement policy analysis involves activities related to procedural and rulemaking development for various aspects of alternative enforcement such as ownership and control determination, permit conditioning, and individual civil penalties. It also involves reviewing alternative enforcement portions of State programs and State program amendments for compliance with policy, and providing assistance in oversight efforts.

The permit coordination staff carries out compliance clearance functions in order to: (1) act as a liaison with the States for State-issued permits; (2) review the Tennessee Valley Authority's and other Federal agencies' pending coal purchase contracts in order to ensure that all potential companies are in compliance with the Act; and (3) conduct compliance reviews of Federal programs and Federal land permits/applications. To accomplish these objectives, this function serves as the assessments and collections program's primary contact to assist Field Offices, State Regulatory Authorities, and other Federal agencies and interested parties in obtaining compliance information on companies or individuals. Federal compliance information includes the status of notices of violations, cessation orders, civil penalties, individual civil penalties, and abandoned mine land fees.

The field investigation function provides inspector support for the SOL when that office is pursuing injunctions and criminal investigations. This section also provides criminal investigation services to OSMRE units for interim and permanent program cases.

(Dollar Amounts in Thousands)

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
($)	7,229	7,929	+700
(FTE-T)	80	80	---

The requested increase will provide support for the expanded operation and maintenance of the AVS. The AVS is being developed in modules, thereby adding various types of data in increments. The AVS will maintain data on ownership or principals in companies who have failed to abate site violations or who failed to pay outstanding penalties. Data will also be maintained on any company and company ownership that has failed to pay AML fees. Development of the system is being closely coordinated with State regulatory agencies, which will have initial access to data in the system beginning in mid-1986. States will be able to access data in order to review the previous records of companies and individuals applying for mining permits for new operations. OSMRE is also forming a committee of representatives from State regulatory authorities to participate in the planning and development of the AVS.

The first module of the AVS will be fully operational by February 1, 1987, and available for use by the States and OSMRE. When implementation of the first module is completed, the system will include data from a variety of sources, including the purged CMIS data base; AML delinquent fee file and application/permit data maintained by State regulatory agencies; State violations; and EPA water quality violations.

Phases 2 and 3 of the AVS will load data concerning State issued violations and penalties (Phase 2), and air and water quality violations associated with coal mining operations (Phase 3) in accordance with the requirements of Section 510(c) of the Act. This will also establish the system at the level specified in P. L. 99-190, the Department's Appropriations Act for Fiscal Year 1986.

The increase will provide support for completing Phases 2 and 3 of the AVS and for expanded AVS operations and maintenance requirements that will occur as States access the system. The total cost of these efforts is $2.0 million; however, $1.3 million is available in the program base since development and implementation of the initial AVS was funded in 1986. The net increase is therefore $700,000.

The entire increase will occur in Object Class 25, Other Services.

Justification of Program and Performance

Activity: General Administration
Subactivity: Executive Direction

(Dollar Amounts In Thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
Executive Direction					
$	1,640	1,569	1,634	1,734	+100
(FTE-T)	39	39	39	39	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
1,640	-71	1,569

As a result of the $71,000 reduction, several existing staff vacancies will not be filled until the next fiscal year. In addition, staff travel will be reduced.

Authorization: 30 U.S.C. 1295, (Surface Mining Control and Reclamation Act of 1977, Section 712).

Objective:

1. Provide executive leadership, direction, policy and program management for all areas of responsibility for the Office of Surface Mining Reclamation and Enforcement.

Base Program: The Executive Direction subactivity includes the salaries and expenses for the offices of the Director and Deputy Directors and the Director's staff offices for Equal Employment Opportunity, External Affairs, Congressional Liaison, Public Affairs, Regulatory Development and Issues Management, and a Program Evaluation staff.

The total request for Executive Direction is $2,559,000 and 55 FTEs. The request is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The following is a discussion of the total requested for Executive Direction in both appropriations.

Director and Director's Staff Offices

The Director determines program policy and provides direction for all OSMRE regulatory and reclamation programs. The Director establishes policy, makes decisions on organizational structure, budget and legislative proposals, and overall program strategy and implementation. The Director also exercises line supervision over the Deputy Directors and chiefs of Washington staff offices. The Director's staff offices are responsible for: Congressional liaison; a public affairs program; an office of external affairs which maintains an outreach program with industry, States, Tribes, environmental groups and other interested organizations; implementation of equal employment opportunity programs; implementation of Title VI compliance activities with respect to OSMRE grantees and contractors; issue analysis and internal control reviews; correspondence management; and development of rules and regulations to implement OSMRE policy and statutory requirements. In Fiscal Year 1986, regulatory development will be an important function since a primary agency objective is to achieve a stable and consistent regulatory environment by improving the rulemaking process, thus reducing the likelihood of future legal challenges.

OSMRE's regulatory reform effort has involved changes to 670 individual sections in various parts of its technical regulations. The respective lawsuits filed in opposition to these changes were consolidated by Judge Flannery and divided into three rounds. The Court decisions in Rounds I and II required repromulgation of approximately five percent of all sections of the tedhnical regulations revised under regulatory reform. Most of the rules needed to comply with Rounds I and II Court Orders were proposed in Fiscal Year 1985. These final rules and any actions that are required under Round III will be supported through resources budgeted in Fiscal Year 1986. State primacy was not affected by decisions made as a result of the Court rulings. However, revisions to the Federal regulations will result in changes to the corresponding State provisions.

Deputy Director for Operations and Technical Services

The Deputy Director for Operations and Technical Services manages the activities of Headquarters programmatic and technical divisions as well as those carried out by field offices and technical centers. The Assistant Directors for Program Operations, Eastern Operations, and Western Operations report to the Deputy Director, as does the agency's technical training staff.

The Deputy Directorate establishes policy for and provides guidance on all operational State and Tribal assistance activities, State program oversight and administration of Federal regulatory programs. It is also responsible for performance of environmental and economic analyses; management of Federal reclamation projects, development and administration of training programs to meet the technical requirments of OSM, other Federal agencies, and the States; and provision of other technical support services to State and Federal regulatory and reclamation programs. Only the immediate Headquarters office of the Deputy Director is included in this subactivity.

Deputy Director for Administration and Finance

The Deputy Director for Administration and Finance manages operations associated with resource and manpower allocation, information management systems, assessments and collections, and fee compliance. The Assistant Directors for Budget and Administration and for Finance and Accounting, and the chief of the Information Systems Management staff, report to the Deputy Director.

The Deputy Directorate is responsible for financial management functions including: grants administration; the collection of civil penalties; payroll, travel and cash management; fee collection and appropriation accounting; fee compliance and audit activities; and financial management systems. It also provides financial services to Headquarters, Field Office and Technical Center managers, including technical assistance on the implementation of Federal financial policies and regulations. The Directorate also administers the collection of Abandoned Mine Reclamation fees; the assessment and collection of civil penalties; and cash management systems improvement. In addition, the agency's information management systems operations are carried out under this Deputy Directorate. The Deputy Director is also responsible for developing policy and guidance for budget activities, personnel, management services and planning activities.

Only the immediate Headquarters offices of the Deputy Directors are included in this subactivity.

(Dollar Amounts in Thousands)

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
($)	1,634	1,734	+100
(FTE-T)	39	39	---

The increase will be used to support negotiated rulemaking efforts to be carried out during Fiscal Year 1987. Negotiated rulemaking has proven to be a useful means of regulatory development in controversial areas. OSMRE expects to select certain rules for development through negotiations involving representatives of interested parties, including States and Tribes, industry, and environmental organizations.

This approach to rule development will help to achieve a more stable and consistent regulatory environment and improve the ability of both OSMRE and the States to enforce the Act. Certain past rulemaking activities have met legal challenges that were time consuming and costly. Negotiated rulemaking is not appropriate for all areas of regulatory development. It will not supplant the existing rulemaking process, but instead complement that process. Successful negotiated rulemaking efforts will produce rules that are more likely to accomplish efficient and effective enforcement of SMCRA, and make costly litigation and repromulgation of rules less likely to occur.

The object class distribution of the proposed increase is as follows:

	FTE	$
Printing and Reproduction		+15,000
Other Services		+75,000
Supplies		+10,000
TOTAL	---	+100,000

Justification of Program and Performance

Activity: General Administration
Subactivity: Administrative Support

(Dollar Amounts In Thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
Administrative Support					
$	3,579	3,425	3,567	6,297	+2,730
(FTE-T)	89	89	89	95	+6

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
3,579	-154	3,425

As a result of the $154,000 reduction, staff vacancies in the Division of Financial Management and the Division of Planning and Budget will not be filled until the next fiscal year. In addition, all staff offices will incur reduced travel allocations for the balance of the fiscal year.

Authorization: 30 U.S.C. 1295, (Surface Mining Control and Reclamation Act of 1977, Section 712).

Objective:

1. Maintain operational systems that provide administrative support in the functional areas of Personnel, Financial Management, Planning and Budget, Management Services, Information Systems Management, and Grants Administration.

Base Program:

The Administrative Support subactivity includes the immediate offices of the Assistant Directors for Finance and Accounting and Budget and Administration and the five support divisions of: Personnel, Financial Management, Planning and Budget, Management Services, Grants Administration and an Information Systems Management staff.

The total request for Administrative Support is $8,289,000 and 132 FTEs. The request is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The following is a discussion of the total requested for Administrative Support in both appropriations.

Assistant Director for Finance and Accounting

The Assistant Director for Finance and Accounting is responsible for a number of program areas formerly contained in the assistant directorates for Program Operations and Inspection and for Budget and Administration. These include grants administration; the collection of civil penalties; fee collection; and financial management. The new assistant directorate was created to provide a focus for financial systems management operations that must be responsive to a variety of demands. Most of the activities under the new assistant directorate are funded under the newly created Assessments and Collections and Fee Compliance subactivities. The immediate office of the Assistant Director for Finance and Accounting, and the Divisions of Financial Management and Grants Administration, are funded under the Administrative Support subactivity.

1. The Division of Financial Management is responsible for payroll, travel and cash management, fee collection accounting, appropriation accounting and financial management systems. The Division develops and controls accounting and financial reporting systems for Federal financial assistance, and also provides financial services to Headquarters, Field Office and Technical Center managers, including technical assistance on the implementation of Federal financial policies and regulations. The Division also is involved in debt collection and cash management systems improvement. The Division uses data processing facilities and a number of automated financial and administrative systems under support arrangements with the Mine Safety and Health Administration, the Bureau of Mines and the Bureau of Reclamation. The Department of the Treasury's wire transfer system for letter of credit drawdowns on OSMRE grants has been implemented. Significant cash management improvements will result from this system.

2. The Division of Grants Administration is responsible for the overall administration of the grants programs. The staff will assist in developing policy guidelines that are aimed at improving the evaluations of State submission as well as grant processing procedures. OSMRE's goal is to process administratively complete State grant applications in 60 days. However, the grants administration staff has been processing these applications in substantially less time, while maintaining the thorough review necessary to assure program effectiveness and efficiency.

Assistant Director for Budget and Administration

The Assistant Director for Budget and Administration develops policy for and guides budget formulation and execution, personnel, management services, and planning activities. The Assistant Director provides direct leadership to the following offices financed by this subactivity.

1. The Division of Planning and Budget formulates and executes budget and planning activities and provides policy, central coordination and uniform procedures for budget execution. The Division also provides Headquarters, Field Offices, and Technical Centers with training in budget formulation and execution.

2. The Division of Personnel is responsible for recruitment, classification, position control, pay administration, employment services, employee/

labor relations, training, incentive awards, the Federal Equal Opportunity Recruitment Program and other special emphasis programs, and also implements conflict of interest procedures for Federal/State/Tribal employees. The Division provides personnel services to Headquarters and Field employees and is responsible for the Agency's security program.

3. The Division of Management Services provides direct support to Headquarters and guidance to Field Offices and Technical Centers in the areas of procurement, space and property, telecommunications, vehicle fleet management, mail handling, safety management, and other general office services. The Division develops and maintains administrative systems relating to correspondence and paperwork management, forms management, clearance of reporting and recordkeeping requirements. The Division also assists OSMRE program offices in the design and development of information systems; and reviews, maintains, and evaluates ADP systems to provide information required by the public, State, Tribes, and OSMRE program elements.

Also included in this subactivity is the Information Systems Management staff, who report directly to the Deputy Director for Administration and Finance. The staff consolidates the development and implementation of all ADP systems management policy in a single Headquarters component. The Information Systems Management staff is responsible for establishing ADP technical standards for internal bureau use and for use by OSMRE contractors; managing all ADP and systems oriented contracts from the standpoint of technical requirements and quality assurance, and developing and maintaining long and short range ADP plans for the systems needs of OSMRE. The staff is responsible for: the development and operation of all bureau-wide management information systems; technical systems development and operations including coordination with States and Tribes; and the development and implementation of a microcomputer policy and program aimed at the effective and consistent use of microcomputer applications throughout the bureau. The staff also manages the bureau-wide program of configuration management for control of all baseline software in the production stage, and provides staff support to the Bureau's Management Information Resources Council.

(Dollar Amounts in Thousands)

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+) or Dec. (-)
($)	3,567	5,287	+1,720
(FTE-T)	89	91	+2

OSMRE has identified ADP systems development and implementation as a major concern since it impacts all aspects of the agency's operations, including the critical areas of compliance, program evaluation, and oversight. OSMRE is now entering a phase in which ADP systems development and implementation is especially critical to improve enforcement and fee collection operations. It is therefore necessary to ensure the development of a well-planned, cost-effective effort as opposed to the independent and duplicative undertakings that can result from program-generated initiatives and management. Consequently, an increase (+$1,720,000, +2 FTEs) is requested to augment OSMRE's Information Systems Management staff and to conduct analyses related to long term ADP systems development.

The Information Systems Management staff is responsible for all phases of ADP program development from identifying needs through systems design, testing, training, and procurement, to operational assistance and implementation. It is especially important, given the agency's long-term priorities with respect to enforcement and fee collection, to develop the enhanced capabilities to design and maintain standards for systems design and operations; improve ADP procurement, contract management, and cost control activities in all areas, including equipment, software, and services; and implement quality assurance and evaluation programs to ensure ongoing assessment of the agency's overall ADP program. An increase of $330,000 and 6 FTEs is proposed for Fiscal Year 1987 to provide these capabilities by augmenting the Information Systems Management staff.

In 1985-87, OSMRE is funding the development of an applicant/violator system (in the Assessments and Collections subactivity) that will improve OSMRE's ability to collect unpaid fines, track down operators who refuse to correct violations or pay fines, and ensure that permits are denied to these operators. This is consistent with the revised order stemming from the Parker-Gasch settlement agreement.

OSMRE's long term information systems goals, however, require development of an integrated computerized support system that links Title IV and V information and provides OSMRE Field installations and State agencies with full access to a central data base. The merging of CMIS, the AML Fee Collection system, and AVS into a common database and operating environment is a crucial step in establishing "state of the art" information systems. Once this framework is developed, expanded data sharing can occur. Integrated systems support is also essential to provide effective technical services to State regulatory agencies. Consequently, during Fiscal Year 1987, OSMRE proposes to design its long-term ADP program, which will require $2.4 million. The effort will focus on five areas:

(1) Assessment of information needs which will be used as a starting point for systems development. This will include efforts to identify ADP requirements and, based on the identified needs, determine the data architecture, configuration, and management standards for meeting these needs. This assessment is consistent with the need for an orderly, systematic process for information management systems development.

(2) Development of a program for software and hardware management of major OSMRE systems over a period of three to five years. This will include selection of a permanent hardware configuration for OSMRE's systems; establishment of data management and data architecture standards for all existing and future OSMRE systems; and, where possible, the consolidation and integration of existing OSMRE management information systems into a single, organized management structure.

(3) Development of a ADP technical assistance program for OSMRE oriented towards the provisions of technical, scientific, and research information to States and Indian Tribes. This program will be tied into the Bureau's overall ADP systems management structure, and will be the first phase of a longer term technical systems data network linking the States and OSMRE Technical Centers. In conjunction with the Technical Centers, the Information Systems Management Staff will develop a systems structure underlying a broadened technical assistance program to the States and Tribes.

(4) Development of a common data system which would tie into OSMRE management information systems supporting the data needs of all primacy States. At present, three States have automated data systems supporting their surface mining and reclamation delegated functions. This process would examine those systems for common linkages and their potential for expansion to non-automated States, thereby tying all basic mine data and regulatory and enforcement data into a single data system that would be used by OSMRE and States alike.

(5) Based on the analysis and configuration studies discussed above, complete system design for a comprehensive management information system that will integrate the separate systems for collections management, applicant violator, and AML fee collection.

The result of these systems analysis and development efforts will be a proposal for implementation over a multi-year period beginning in Fiscal Year 1988. This will enable OSMRE to take advantage of new technological developments and adapt systems that are now in place or due to be on line within the next two years.

The object class distribution of the proposed decrease is as follows:

	FTE	$
Personnel	+6	+225,000
Personnel Benefits		+25,000
Communications, Utilities, and Miscellaneous Charges		+20,000
Other Services		+2,430,000
Supplies		+10,000
Equipment		+20,000
TOTAL	+6	+2,730,000

Justification of Program and Performance

Activity: General Administration
Subactivity: General Services

(Dollar Amounts In Thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) From Base
General Services					
$	3,468	3,319	4,101	6,301	+2,200
(FTE-T)	---	---	---	---	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
3,468	-149	3,319

As a result of the $149,000 reduction, space costs will be reduced by curtailing office expansion planned to accommodate staff increases. Since the filling of staff vacancies in many areas must now be delayed, the planned office expansion will likewise be postponed. In addition, agencywide savings in postage and in activities such as graphics and photography support and messenger services will occur.

Authorization: 30 USC 1295, (Surface Mining Control and Reclamation Act of 1977, Section 712).

Objectives:

1. Finance certain categories of general expenses best accomodated in a single overhead subactivity (e.g., office space; telephone services; security; health units; copy center operations).

Base Program:

This subactivity finances overhead type expenses that include office space (standard level user charges); FTS (telephone services); Federal Register expenses; other printing expenses and copy machine operations; general purposes vehicle maintenance and replacement; employee relocation expenses; and the cost associated with interagency agreements for general services.

The request for General Services is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The total request is $9,130,000. The following is a summary of the agencywide expenses for General Services in Fiscal Year 1987:

Item	Cost
Standard Level User Charges	$3,859,000
FTS (telephone system)	860,000
Printing and Copy Center Operations	130,000
All Other	4,281,000
TOTAL	$9,130,000

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
$	4,101	6,301	+2,200
(FTE)	---	---	---

The increase is to implement OSMRE's initiative to decentralize certain program and administrative functions from Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appropriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters. The primary objective of the initiative is to provide an organizational framework through which programmatic objectives and actions can be carried out most effectively and efficiently. OSMRE is now determining which functions should be relocated, the requirements and timing for relocation, and the various options involved in determining the precise location of functions. OSMRE will begin functional realignment in the latter part of Fiscal Year 1986, with full implementation occurring in Fiscal Year 1987. The entire initiative will be planned to minimize disruptions in operational and administrative functions. It is expected that Headquarters, which now contains approximately one-third of OSMRE's personnel, will ultimately contain twenty percent. Consequently, the transfer of approximately 125 positions is expected.

The request for costs associated with the decentralization initiative is $3,000,000, which is divided among both appropriations. The request in this appropriation is $2,200,000. Most of the request will support the relocation of personnel and their families; the remainder will support costs associated with the acquisition of office space, including the renegotiation of existing office space leases as required, and the establishment of support facilities.

The object class distribution of the proposed increase is as follows:

	FTE	$
Personnel Benefits		+325,000
Travel		+150,000
Transportation of Things		+850,000
Communications, Utilities, and Miscellaneous Charges		+350,000
Other Services		+375,000
Supplies		+40,000
Equipment		+110,000
TOTAL	---	+2,200,000

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enfrocement
Summary of Requirements by Object Class
(Dollar Amounts in Thousands)

Appropriation: Regulation and Technology

Object Class		1987 FTE	Base Amount	1987 FTE	Estimate Amount	Inc. (+) or Dec. (-) FTE	Inc. (+) or Dec. (-) Amount
	Personnel Compensation:						
11.1	Permanent positions - FTE-P..........	660	22,344	666	22,569	+6	+225
11.3	Positions other than permanent.......	55	1,675	45	1,345	-10	-330
11.5	Other personnel compensation.........	---	700	---	700	---	---
	Total Personnel Compensation.........	715	24,719	711	24,614	-4	-105
Other Objects							
12.1	Personnel Benefits..................		3,265		3,580		+315
13.0	Benefits for Former Personnel........		60		60		---
21.0	Travel & Transportation of Persons...		1,979		2,279		+300
22.0	Transportation of Things............		142		1,017		+875
23.1	Standard Level User Charges..........		2,719		2,719		---
23.2	Comm., Utilities, and Miscel. Charges		2,350		2,710		+360
24.0	Printing and Reproduction...........		768		833		+65
25.0	Other Services......................		10,567		15,577		+5,010
26.0	Supplies and Materials..............		811		911		+100
31.0	Equipment...........................		1,300		1,470		+170
41.0	Grants, Subsidies, and Contributions.		36,977		45,110		+8,133
	TOTAL REQUIREMENTS..................	715	85,657	711	100,880	-4	+15,223

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Regulation and Technology
Program and Financing (In Thousands of Dollars)

Identification code 14-1801-0-1-302	19 85 actual	19 86 estimate	19 87 estimate
Program by Activities			
1. State Regulatory Program Grants....	36,974	36,977	45,110
2. Federal Regulatory Programs........	36,334	40,504	41,438
3. General Administration............	6,982	7,643	14,332
10.0001 Total Obligations............	80,290	85,124	100,880
Financing:			
11.0001 Offsetting collections from: Federal sources............	-6	---	---
25.0001 Unobligated balance lapsing...	63	18	---
39.0001 Budget Authority.............	80,347	85,142	100,880
Budget Authority:			
40.0001 Appropriation (definite)......	80,347	85,153	100,880
40.0002 Appropriation (indefinite)....	---	500	---
40.0003 Reduction pursuant to P.L. 99-190............	-1,533	-511	---
43.0001 Appropriation (adjusted)......	80,347	85,142	100,880
Relation of Obligations to Outlays:			
71.0001 Obligations incurred, net.....	80,284	85,124	100,880
72.4001 Obligated balance, Start of Year........................	39,941	40,313	42,215
74.4001 Obligated balance, End of Year	-40,313	-42,215	-48,511
77.0001 Adjustments in expired accounts....................	-4,703	---	---
90.0001 Outlays......................	75,209	83,222	94,584

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Regulation and Technology

Object Classification (In Thousands of Dollars)

Identification code 14-1801-0-1-302		19 85 actual	19 86 estimate	19 87 estimate
	Personnel Compensation:			
111.101	Full-time permanent positions	19,067	22,440	22,569
111.301	Positions other than full-time permanent....................	3,009	1,685	1,345
111.501	Other Personnel Compensation..	438	700	700
111.901	Total Personnel Compensation..	22,514	24,825	24,614
	Personnel Benefits:			
112.101	Civilian......................	2,962	3,277	3,580
113.001	Benefits for Former Personnel.	---	60	60
121.001	Travel and Transportation of Persons.................	1,495	1,979	2,279
122.001	Transportation of Things......	377	142	1,017
123.101	Standard Level User Charges...	172	2,086	2,719
123.301	Communications, Utilities and Miscellaneous Charges........	4,026	2,350	2,710
124.001	Printing and Reproduction.....	700	768	833
125.001	Other Services...............	9,692	10,549	15,577
126.001	Supplies and Materials........	511	811	911
131.001	Equipment.....................	737	1,300	1,470
141.001	Grants, Subsidies and Contributions...............	37,094	36,977	45,110
142.001	Insurance Claims and Indemnities.................	5	---	---
143.001	Interest and Dividends........	5	---	---
199.901	Total obligations...........	80,290	85,124	100,880

OSM-85

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Case 180
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Regulation and Technology

Personnel Summary

Identification code 14-1801-0-1-302	19 85 actual	19 86 estimate	19 87 estimate
Total Number of Permanent Positions...	596	660	666
Total Compensable Workyears:			
Full-time Equivalent Employment...	700	715	711
Full-time Equivalent of Overtime and Holiday Hours...............	8	8	8
Full-time Equivalent of Youth Program/Developmental positions.	6	6	6
Average GS Salary.....................	33,944	34,410	34,875
Average GS Grade......................	10.29	10.27	10.26
Average ES Salary.....................	68,375	68,375	68,375

(Mono cast: 21.5) (Mono cast: 5) (Mono cast: 5) (Mono cast: 4.9)

Appropriation Summary Statement

Appropriation: Abandoned Mine Reclamation Fund

The Abandoned Mine Reclamation Fund supports reclamation program functions carried out by the Office of Surface Mining Reclamation and Enforcement (OSMRE), the Department of Agriculture, and the States. The fund is supported from a fee levied on coal production. The appropriation finances grants to States to implement reclamation programs and small operator assistance programs and fund management and Federal lands reclamation activities that are directly administered by OSMRE. In addition, the Rural Abandoned Mine Program (RAMP) administered by the Soil Conservation Service of the Department of Agriculture is supported through this appropriation as is a portion of OSMRE's General Administration function.

The total request is $190,520,000, a decrease of $15,747,000 from the Fiscal Year 1987 Base.

Activities covered under this appropriation and major changes from the Base include:

1. State Reclamation Program Grants: (-$5,556,000) - This activity provides funds to States to reclaim lands affected by past coal mining. 22 States have approved reclamation programs. The slight--3.6 percent--decrease is proposed due to the continued high level of State unobligated balances remaining from prior year grants. The proposed level will provide States with necessary administrative support and allow for the initiation of over $100 million in new projects.

2. Federal Reclamation Programs: (-$7,909,000; +15 FTEs) - This activity is divided into three subactivities associated with reclamation program administration and implementation: (1) Fee Compliance; (2) Federal Reclamation Projects; and (3) the Rural Abandoned Mine Program.

    - Fee Compliance: (+$702,000; +15 FTEs) - This subactivity comprises OSMRE's program to collect Abandoned Mine Land fees. It includes efforts to audit operators and thereby verify that all fees due have been paid. The increase will augment the fee compliance staff and enable OSMRE to carry out its audit program priorities. In addition, the increase will be used to coordinate with overall agency information management systems development activities that will further enhance the fee compliance program.

    - Federal Reclamation Projects: (no change) - This subactivity includes emergency projects; non-program State and Tribal high priority projects; OSMRE's abandoned mine lands research program; engineering and other technical support for Federal Reclamation program operations; technical assistance to States for reclamation project planning and execution; monitoring of State annual project plans; and OSMRE's maintenance of the national abandoned mine lands inventory. The entire program is being maintained at the base level.

- Rural Abandoned Mine Program (RAMP): (-$8,611,000; -108 FTEs) - This subactivity comprises the annual allocation to the Soil Conservation Service for reclamation of lands as authorized in Section 406(a) of SMCRA. In accordance with Administration policy, funding to the Soil Conservation Service for new projects is being discontinued as States assume direct responsibility for project planning and execution under the reclamation grants program. The request will provide support only for modifications to existing contracts.

3. Small Operator Assistance Payments: (-$3,082,000) - This activity supports payments to laboratories for authorized services to eligible coal mine operators in preparing applications for mining permits under a State or Federal regulatory program. The decrease is proposed because projected carryover balances will be sufficient to support the program in 1987.

4. General Administration: (+$800,000) - General Administration is included as an activity in both the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. There are three suabactivities: (1) Executive Direction; (2) Administrative Support; and (3) General Services.

- Executive Direction: (no change) - This subactivity supports the offices of the Director and Deputy Director, and the Director's immediate staff offices.

- Administrative Support: (no change) - This subactivity includes the areas of personnel, budget, management services, financial management, grants administration, and information management systems.

- General Services: (+$800,000) - This subactivity includes certain agencywide expenses such as office space, communications, and postage, that are most effectively administered as a separate subactivity. The increase will support OSMRE's initiative to decentralize certain program and administrative functions from Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appopriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund

For necessary expenses to carry out the
provisions of Title IV of the Surface
Mining Control and Reclamation Act of
1977, Public Law 95-87, including the
purchase of not more than 21 passenger
motor vehicles of which 15 shall be for
replacement only to remain available
until expended, [$248,554,000], to be $190,520,000
derived from receipts of the Abandoned
Mine Reclamation Fund: Provided, That
pursuant to Public Law 97-365, the
Department of the Interior is authorized
to utilize up to 20 percent from the
recovery of the delinquent debt owed to
the United States Government to pay for
contracts to collect these debts:
Provided further, That of the funds
made available to States for projects
authorized in section 406(a) of Public
Law 95-87, administrative expenses
may not exceed 15 percent: Provided
further, That none of these funds shall
be used for a reclamation grant to any
State if the State has not agreed to
participate in a nationwide data system
established by the Office of Surface
Mining Reclamation and Enforcement
through which all permit applications
are reviewed and approvals withheld if
the applicants (or those who control
the applicants) applying for or
receiving such permits have outstanding
State or Federal air or water quality
violations in accordance with section
510(c) of the Act of August 3, 1977 (30
U.S.C. 1260(c)), [including] failure to or
abate cessation orders, outstanding
civil penalties associated with such
failure to abate cessation orders or ,
uncontested past due Abandoned Mine Land
fees; Provided further, That the
Secretary of the Interior may deny fifty
percent of an Abandoned Mine fund grant,
available to a State pursuant to title
IV of Public Law 95-87, when pursuant
to the procedures set forth in section
521 of the Act, the Secretary
determines that a State is
systematically failing to adequately
administer the enforcement provisions

of the approved State regulatory program. Funds will be denied until such time as the State and the Office of Surface Mining Reclamation and Enforcement have agreed upon an explicit plan of action for correcting the enforcement deficiency. A State may enter into such agreement without admission of culpability. If a State enters into such agreement, the Secretary shall take no action pursuant to section 521(b) of the Act as long as the State is complying with the terms of the agreement: Provided further, That expenditure of moneys as authorized in section 402(g)(3) shall be on a priority basis with the first priority being protection of public health, safety, general welfare, and property from extreme danger of adverse effects of coal mining practices, as stated in section 403 of Public Law 95-87.

Department of the Interior and Related Agencies Appropriations Act, 1987

Justification of Proposed Language Change

The proposed change represents a technical correction that is intended to clarify the enforcement provisions enacted in P.L. 99-190. It makes clear that failure to abate cessation orders constitute a type of action associated only with SMCRA enforcement, and that uncontested past due AML fees are not associated with civil penalties.

Change:
". . . [including] failure to or
abate cessation orders, outstanding
civil penalties associated with such
failure to abate cessation orders or ,
uncontested past due Abandoned Mine Land
fees. . . "

Office of Surface Mining Reclamation and Enforcement

__Appropriation:__ Abandoned Mine Reclamation Fund

A. __Appropriation Language:__

For necessary expenses to carry out the provisions of Title IV of the Surface Mining Control and Reclamation Act of 1977, P.L. 95-87, including the purchase of not more than ___ passenger motor vehicles for replacement only to remain available until expended, $_____ to be derived from receipts of the Abandoned Mine Reclamation Fund: Provided, That pursuant to P.L. 97-365, the Department of the Interior is authorized to utilize up to 20 percent from the recovery of the delinquent debt owed to the United States Government to pay for contracts to collect these debts: Provided further, That of funds made available to the States to contract for reclamation projects authorized in Section 406(a) P.L. 95-87, administrative expenses may not exceed ___ percent.

B. __Appropriation Language Citations and Explanations:__

1. For necessary expenses to carry out the provisions of Title IV of the Surface Mining Control and Reclamation Act of 1977, P.L. 95-87,

   30 U.S.C. 1231

   Provides for the establishment of the Abandoned Mine Reclamation Fund which is administered by the Secretary of the Interior. The fund consists primarily of moneys obtained from reclamation fees paid by coal operators and may be used in many ways for the reclamation and restoration of land and water adversely affected by past mining—primarily coal mining. The Secretary of the Interior is authorized to transfer, annually, up to 20 percent of the money deposited in the fund to the Secretary of Agriculture to carry out the purposes of Section 406, P.L. 95-87 (Reclamation of Rural Lands).

2. Including the purchase of not more than ___ passenger vehicles for replacement only to remain available until expended, $_____ to be derived from receipts of the Abandoned Mine Reclamation Fund.

   31 U.S.C. 1343(c)(1)

C. __Basic Authorizing Legislation__

The Office of Surface Mining's (OSMRE's) basic authorization is derived from the Surface Mining Control and Reclamation Act of August 3, 1977 (30 U.S.C. 1201 et seq.). The purposes of this law include: (1) protecting society and the environment from the effects of coal mining operations; (2) reclaiming existing and future mined areas which endanger public health and safety, prevent or damage the beneficial use of land or water resources, or decrease environmental quality; (3) providing a fund for abandoned mine reclamation; and (4) providing technical and financial assistance to States with primary regulatory authority over coal mining activities within their boundaries.

D. Activity Schedule

1. State Reclamation Program Grants
2. Federal Reclamation Programs
    a. Fee Compliance
    b. Reclamation Program Operations
    c. Rural Abandoned Mine Program (RAMP)
3. Small Operator Assistance Payments
4. General Administration
    a. Executive Direction
    b. Administrative Support
    c. Fee Compliance

E. Authorization by Activity

1. State Reclamation Program Grants

Description: This activity provides funds to States to reclaim lands affected by past mining--primarily coal mining. These grants permit States to assume greater responsibility for initiating and completing reclamation projects. State accomplishments in this program are expected to increase significantly since many States have just recently achieved full program management capability.

Authorization: 30 U.S.C. 1231, 1233 and 1239 - Provides that monies in the Abandoned Mine Reclamation Fund will be used for grants to the States to carry out abandoned mine reclamation.

The Fund consists of amounts deposited, from time to time, derived from reclamation fees, donations, user charges and recovered monies. The funds collected are used for the reclamation and restoration of land and water resources adversely affected by past mining.

2. Federal Reclamation Programs

This activity is aimed at correcting immediate hazards to public health and safety from past mining practices and includes fee collection and assistance to States developing their own reclamation programs as well as abandoned lands reclamation projects undertaken by OSM and the Soil Conservation Service. Also, this activity is divided into three subactivities associated with reclamation program administration and implementation: (1) Reclamation Fund Management; (2) Federal Reclamation Projects; and (3) the Rural Abandoned Mine Program (RAMP).

a. Fee Compliance

Description: This subactivity includes administration of operations associated with the collection of Abandoned Mine Land fees.

Authorization: 30 U.S.C. 1232 - Provides for the payment of Abandoned Mine Reclamation fees.

b. Reclamation Program Operations

Description: This subactivity includes emergency and high priority projects; engineering and other technical support for Federal reclamation program operations; approval and monitoring of State and annual project plans; and technical assistance to States for reclamation project planning and execution.

Authority: 30 U.S.C. 1231, 1232, 1233 and 1239 - Provides for the use of the Abandoned Mine Reclamation Fund monies for the purpose of protecting public health and facilities, safety, general welfare, and property from extreme danger and adverse effects of coal mining practices; restoration of land and water resources and the environment previously degraded by adverse effects of coal mining operations; and research and demonstration projects relating to the development of surface mining reclamation and water quality control program methods. It also provides that monies in the Abandoned Mine Reclamation Fund will be used to cover the administrative expenses of the Federal Government, accomplish abandoned mine reclamation and develop guidelines on the distribution of monies in the Fund.

c. Rural Abandoned Mine Program (RAMP)

Description: This subactivity provides technical and financial assistance to landowners and land users who voluntarily enter into 5-10 year contracts for the reclamation of eligible abandoned coal mine lands and waters. Funds for this subactivity are annually transferred to the Department of Agriculture, Soil Conservation Service (SCS), to be allocated to its State offices where there are active RAMP contracts.

Authority: 30 U.S.C. 1236- Provides for assistance to be provided to landowners and land users for reclamation, conservation, and development of rural abandoned lands affected by past coal mining.

3. Small Operator Assistance Payments

Description: This activity provides for the regulatory authority on behalf of eligible small operators to pay for certain costs associated with obtaining hydrologic/geologic information that is needed to prepare coal mining permit applications.

Authority: 30 U.S.C. 1257 - Provides for the regulatory authority to designate a qualified laboratory to obtain the hydrologic/geologic data required by the operator for the permit application, and for the regulatory authority to assume the cost of obtaining such data.

4. General Administration

Description: This activity provides OSMRE executive direction, administrative support and general services.

Authorization: 30 U.S.C. 1302 - This section provides for funds to be appropriated for the administrative costs needed to carry out the provisions of P.L. 95-87.

F. Administrative Provisions

None

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Summary of Requirements
(Dollar Amounts in Thousands)

Appropriation: Abandoned Mine Reclamation Fund	FTE	Amount	FTE	Amount
Appropriation, 1986			429	206,141
P. L. 99-177 Budget Authority Cancellation			---	-8,864
Adjusted FY 1986 Appropriation			429	197,277
SUMMARY OF BASE ADJUSTMENTS:				
Management Savings Initiative	---	-57		
Rental payments to GSA (SLUC)	---	+183		
Adjustment for FY 1986 Impact of P. L. 99-177	---	+8,864		
Total, Adjustments to Base	---	+8,990	---	+8,990
1987 Base Budget			429	206,267
Program Changes (Changes to base budget, detailed below)			-93	-15,747
Total Requirements (1987 Estimate)			336	190,520

	FY 1985 Actual		FY 1986 Estimate 1/		P.L. 99-177 Budget Authority Cancellation		FY 1986 Adjusted Approp.	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Comparision by activity/subactivity:								
State Reclamation Program Grants	--	257,740	—	156,156	--	-6,715	—	149,441
Federal Reclamation Programs:								
Reclamation Fund Management	143	6,599						
Federal Reclamation Projects	95	18,426						
Fee Compliance			74	2,800	—	-120	74	2,680
Reclamation Program Operations			194	30,005	—	-1,290	194	28,715
Rural Abandoned Mine Program 3/	125	9,800	108	9,424	--	-405	108	9,019
SUBTOTAL	363	34,825	376	42,229	--	-1,815	376	40,414
Sm. Oper. Asst. Payments	--	--	—	3,082	—	-133	--	2,949
General Administration:								
Executive Direction			16	830	--	-36	16	794
Administrative Support			37	1,998	--	-86	37	1,912
General Services			--	1,846	—	-79	--	1,767
SUBTOTAL	48	4,376	53	4,674	---	-201	53	4,473
Total Requirements	411	296,941	429	206,141	---	-8,864	429	197,277
		(341,741)		(231,726)				

1/ Reflects new budget structure.

Note: Dollar amounts in parentheses represent obligations.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Summary of Requirements (CONTINUED)
(Dollar Amounts in Thousands)

	FTE	Amount	FTE	Amount
Appropriation: Abandoned Mine Reclamation Fund				
Appropriation, 1986			429	206,141
P. L. 99-177 Budget Authority Cancellation			---	-8,864
Adjusted FY 1986 Appropriation			429	197,277
SUMMARY OF BASE ADJUSTMENTS:				
Management Savings Initiative	---	-57		
Rental payments to GSA (SLUC)	---	+183		
Adjustment for FY 1986 Impact of P. L. 99-177	---	+8,864		
Total, Adjustments to Base	---	+8,990	---	+8,990
1987 Base Budget			429	206,267
Program Changes (Changes to base budget, detailed below)			-93	-15,747
Total Requirements (1987 Estimate)			336	190,520

	1987 Base		1987 Estimate		Inc (+) or Dec (-) From 1986 Approp.		Inc (+) or Dec (-) From 1986 Adjusted Approp.		Inc (+) or Dec (-) From 1987 Base	
	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT	FTE	AMOUNT
Comparision by activity/subactivity:										
State Reclamation Program Grants	—	156,156	—	150,600	--	-5,556	—	+1,159	—	-5,556
Federal Reclamation Programs:										
Reclamation Fund Management										
Federal Reclamation Projects										
Fee Compliance	74	2,780	89	3,482	+15	+682	+15	+802	+15	+702
Reclamation Program Operations	194	29,992	194	29,992	---	-13	---	+1,277	---	---
Rural Abandoned Mine Program 3/	108	9,411	---	800	-108	-8,624	-108	-8,219	-108	-8,611
SUBTOTAL	376	42,183	283	34,274	-93	-7,955	-93	-6,140	-93	-7,909
Sm. Oper. Asst. Payments	—	3,082	—	---	--	-3,082	—	-2,949	--	-3,082
General Administration:										
Executive Direction	16	825	16	825	--	-5	--	+31	—	---
Administrative Support	37	1,992	37	1,992	—	-6	—	+80	—	---
General Services	--	2,029	--	2,829	--	+983	---	+1,062	—	+800
SUBTOTAL	53	4,846	53	5,646	—	+972	---	+1,173	—	+800
Total Requirements	429	206,267	336	190,520	-93	-15,621	-93	-6,757	-93	-15,747

1/ Reflects new budget structure.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Justification of Adjustments to Base
(In Thousands of Dollars)

Appropriation: Abandoned Mine Reclamation Fund

Adjustment for 1986 Impact of P. L. 99-177..............................+8,864

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Management Savings Initiative...-57

In Fiscal Year 1987 OSMRE will implement an agency wide management savings initiative. Under this initiative, organizational realignment and the decentralization of certain program functions to the field will result in cost savings since some positions, as they become vacant, are to be filled by lower graded employees.

Rental Payments to GSA (SLUC).. +183

This adjustment reflects increased rental payments to GSA resulting from changes in assignment of space by GSA.

Analysis by Subactivity

Activity: Federal Reclamation Programs

(Dollars in Thousands)

Subactivity	FY 1985 Actual	FY 1986 Estimate 1/	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Increase (+) or Decrease (-) of 1987 Estimate from Base
Reclamation Fund Management	6,599					
Federal Reclamation Projects	18,426					
Fee Compliance		2,800	2,680	2,780	3,482	+702
Reclamation Program Operations		30,005	28,715	29,992	29,992	---
Rural Abandoned Mine Program	9,800	9,424	9,019	9,411	800	-8,611
TOTAL	34,825	42,229	40,414	42,183	34,274	-7,909

1/ Reflects new budget structure.

Analysis by Subactivity

Activity: General Administration

(Dollars in Thousands)

Subactivity	FY 1985 Actual	FY 1986 Estimate 1/	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Increase (+) or Decrease (-) of 1987 Estimate from Base
Executive Direction		830	794	825	825	---
Administrative Support		1,998	1,912	1,992	1,992	---
General Services		1,846	1,767	2,029	2,829	+800
TOTAL	4,376	4,674	4,473	4,846	5,646	+800

1/ Reflects new budget structure.

Justification of Program and Performance

Activity: State Reclamation Program Grants

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Dec. (-) From Base
State Reclamation Program Grants					
$	156,156	149,441	156,156	150,600	-5,556
(FTE-T)	---	---	---	---	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
156,156	-6,715	149,441

As a result of the $6,715,000 reduction, new construction grant funding for States will be slightly reduced. Since States have large unobligated balances of prior year funding to carry out projects, the reduction should not have a major impact. Some work that was expected to start in 1986, however, will have to be deferred until 1987.

Authorization: 30 U.S.C. 1231, (Surface Mining Control and Reclamation Act of 1977, Section 401(c)).

Objective:

Protect public health and safety and the environment by correcting problems caused by past mining practices.

Base Program:

Grants are provided to States with approved reclamation programs to address problems such as underground fires, subsidence, slides, open shafts, unstable refuse piles, and acid drainage. The 1986 level of $156.2 million will provide grants for the administration of all State reclamation programs, initiation of approximately 225 new priority 1 and 2 reclamation projects, and the monitoring and maintenance of existing projects. Funding for these grants is derived from the Abandoned Mine Reclamation Fund and includes both the States' share and the Secretary's discretionary share.

Under the Act, each State must have an approved reclamation program and annual project plan before receiving reclamation grant funding. Twenty-two States will have approved reclamation programs in Fiscal Year 1987. Since legislation for Tribal primacy is not expected to pass in Fiscal Year 1987, the Hopi, Crow and Navajo Tribes will not be eligible for reclamation grants in Fiscal Year 1987. The OSMRE budget request currently includes funds to address problems on Indian lands in the Reclamation Program Operations subactivity.

During the initial period of the Abandoned Mine Reclamation program, most projects were carried out under direct Federal management. The State grant program was dormant until 1981, when OSMRE made expansion of State reclamation programs a high priority. In Fiscal Years 1982 through 1985, several major actions were taken to reduce the extent of direct Federal project management and States were provided increased funds to administer programs and projects. The result has been more focused project selection, reduction of Federal administrative costs, and greater assurance that the highest priority problems are addressed.

Federal efforts have focused on developing policy guidance and providing technical assistance to States. Increased technical assistance (through the Reclamation Program Operations subactivity) has been made available and improved grants processing (through the Fee Compliance and Reclamation Program Operations subactivities) has reduced the time required for approval of State grant applications. The research and development program in the Reclamation Program Operations subactivity also provides benefits to State programs by coordinating with States in the development of OSMRE's research program and by sharing research results.

As a result of OSMRE's policy initiatives, technical assistance, and increased funding, States have obtained program approval, increased the number and variety of staff needed to operate comprehensive reclamation programs, and initiated larger and more sophisticated projects. To date, approximately 1400 sites have been funded, and over 900 projects are nearing completion.

Although the nature of reclamation projects varies from State to State (and from county to county), the following examples depict problems resolved under the grant program. The Cranks Creek Watershed project in Harlan County, Kentucky, is a phased project: its five stages cover different areas within the watershed. Work on this project began under a cooperative agreement between OSMRE and the State, before Kentucky obtained primacy. Two of the five projects are completed, covering an area of approximately 400 acres that contained 28 sites warranting attention. The AML problems at the 28 sites included clogged streams, portals to refuse areas, and many steep slope problems. Reclamation at these sites included: unclogging streams, closing portals, stabilizing slides, grading and revegetation.

In Pennsylvania, the Georges Township Mine Fire in Fayette County occurred at a 15-acre strip mine. The fire advanced into vegetative crops, and very hot subsidence holes were created. A cause for further concern was that the fire was located next to a recreation area, accessible to a U. S. Highway. As a result of the project, the entire fire was excavated and extinguished, and the site was returned to its original contour and revegetation.

A project in Randolph County, West Virginia, the Norton Sulphur Pond, was a large swamp containing sulphur deposits that were degrading wildlife and water quality. Under a cooperative agreement with the B. F. Goodrich Corporation, the State removed the sulphur deposits and sealed mine openings. In addition, over 25 acres of abandoned, disturbed soil was regraded.

In addition to supporting projects, OSMRE is also implementing the recently enacted authority under which States may use reclamation funds to establish subsidence insurance programs. To implement this new provision, OSMRE developed and issued for comment a proposed regulation on July 25, 1985; the final rule will be issued early in 1986. States will thereby be able to use grant funds for subsidence insurance programs beginning in 1986, and OSMRE anticipates that they will require up to $10.5 million for these programs in Fiscal Year 1987.

(Dollar amounts in thousands)

Decrease for Fiscal Year 1987	FY 1987 Base	FY 1987 Estimate	Dec. (-)
($)	156,156	150,600	-5,556
(FTE-T)	---	---	---

OSMRE has made the reduction of the States' unobligated balances a major priority. Although States are improving their abilities to obligate funds, the high level of unobligated balances has continued since submittal of the 1986 budget. As of December 31, 1985, of $646.4 million available for obligation by States as active construction grants, $345.5 million--53.4 percent--was unobligated. These figures reflect the impacts of the Fiscal Year 1984 and 1985 grant awards, both of which significantly exceed the amounts available for Fiscal Year 1986. Therefore, despite the improvement of the States' efforts to obligate funds, it is expected that a significant backlog of funding will persist through 1987. Consequently, a slight decrease--3.6 percent--is proposed for 1987. This amount will keep new funding at a relatively stable level, while promoting a decrease in unobligated balances. This funding level will also make agency budgetary resources available for State regulatory programs, for which States have demonstrated a need for increased support.

The decrease will not adversely affect State program stability. The proposed level will allow full administrative support for States and the initiation of over $100 million in new projects. The request will maintain program activities, avoid sudden workload declines in out-years, and provide a more realistic funding level given current and projected obligation rates.

The entire decrease will occur in Object Class 41, Grants.

Justification of Program and Performance

Activity: Federal Reclamation Programs
Subactivity: Fee Compliance

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) From Base
Fund Management					
$	2,800	2,680	2,780	3,482	+702
(FTE-T)	74	74	74	89	+15

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
2,800	-120	2,680

As a result of the $120,000 reduction, some existing staff vacancies will not be filled during this fiscal year. In addition, staff travel will be reduced, and some equipment purchases will be deferred.

Authorization: 30 U.S.C. 1232 (Section 402, Surface Mining Control and Reclamation Act of 1977).

Objective:

Conduct required fee compliance and audit activities and reduce accounts receivable for uncollected reclamation fees by identifying non-complying operators and taking appropriate action to recover fees due.

Base Program:

All coal mined in the United States is subject to a reclamation fee based on a fixed rate per ton, or per centum of the value of the coal at the mine, whichever is less. Tonnage fees range from 10 cents to 35 cents per ton and the per centum value of the coal produced ranges from 2 percent to 10 percent. These fees are paid by regulated operators on every ton produced.

A fee compliance program is maintained to enable maximum collection of fees due and promote accurate and timely reporting. The program includes fee compliance auditors in the field and a collection unit within OSMRE with data processing information support services. Forms which provide for computation of the fee from actual production figures are mailed quarterly to all identified mine operators. OSMRE's fee compliance auditors periodically verify the correctness of fees paid through review of operators' records and on-site visits, and investigate all suspected cases of non-compliance.

In September 1985, the collection, accounting, and audit functions of the Division of Abandoned Mine Lands, and the AML Fee Compliance staff located in the various field offices were consolidated into a Division of Reclamation Fee Management under the Finance and Accounting Directorate. This realignment will enable OSMRE to direct the field audit staff in accordance with national audit priorities and establishes for the first time a bureau-level focus for the fee audit program aimed at assuring that fees due to the Fund are collected.

OSMRE's computerized AML Fee System maintains accounting information and produces a list of operators who are required to pay AML fees. It also records quarterly payments and identifies delinquent operators. Payments are updated quarterly, and an additional quarterly update is effected based on MSHA data that help to identify new coal production facilities.

In order to verify operator reporting, OSMRE's fee compliance auditors periodically examine company production and sales records. Operators are notified when discrepancies are disclosed, and of additional payments that are required. OSMRE is taking the following steps to deter operators from underreporting their production and underpaying their fees.

- OSMRE has reached an understanding with the Department of Energy's Energy Information Administration (EIA) to allow OSMRE to compare the production data that coal operators submit to EIA with production data provided by those operators to OSMRE. This process was begun with Calendar Year 1983 data, which is the first year that EIA's regulations allowed access to producer level data.

- Eighteen States collect some type of severance tax on coal mined within the State. OSMRE will compare the data provided by coal companies to these States with data provided to OSMRE with AML payments. Since in most instances the base is the same (the tax is paid on each ton of coal mined or sold), there should be correlation between the two sets of data. Since all 18 States that collect the severance tax are also recipients of AML funds, the States will have an incentive to participate in this effort.

- OSMRE is negotiating agreements with other Federal agencies who routinely perform audits of coal production records to use the results of their audits either as substitutes for OSMRE's own fee compliance audit or as indicators of underreporting.

- OSMRE is setting national priorities for its fee compliance auditors. This is designed to ensure that activities are concentrated in areas with the highest potential for fee collection. The centralized management of the auditing work force is making certain that auditors' assignments are based on these priorities. In general, the auditing priorities emphasize scheduling of audits of large payors of fees on a quarterly basis; target those companies that have questionable fee payment histories or extensive Title V violations, or which are considered potential underreporters based on external data sources and/or on audits conducted by State or other Federal agencies; and audit first-time payors to determine a baseline audit standard.

- The AML Fee System Data Base, currently being operated by the Bureau of Mines computer center in Denver, will be converted to OSMRE-owned equipment. This will reduce operating costs considerably, and will allow OSMRE to mount the AML fee system in an environment compatible with those of [illegible] and [illegible], facilitating the conversion of all these systems to an integrated data base in the future. The conversion of the AML fee system is scheduled for the late fall of 1986, with completion by December 1986.

OSMRE issues a bill when an operator submits a Coal Producing and Reclamation Fee Report without payment or with partial payment. If in 30 days payment is not received, the account is referred to a private collection agent for further collection action. If the collection agent is not successful in collecting the delinquent fees, the case is referred to the Office of the Solicitor (SOL) for legal action. The Solicitor's Office then pursues a number of legal alternatives to effect collection of the debt.

The Debt Collection Act of 1982 allowed Federal agencies to adopt debt management practices that have proven successful for debt collection in the private sector. The Act authorizes the use of private collection agencies to help in most aspects of recovering indebtedness. In August 1984, OSMRE contracted with the private sector for the collection of delinquent commercial accounts.

The contracted efforts have enabled OSMRE to reduce its AML fee debt. While collecting the debt is important, identifying and documenting that debt which is uncollectible is also important. The use of a contractor has eliminated the need to involve the auditors in collecting delinquent AML fees, which allows them to concentrate on their primary function—conducting audits. By implementing the provisions of the Debt Collection Act that allow a debtor to be charged the cost of a collection agent's services, OSMRE simultaneously has acquired an essentially free collection operation and increased the time available to conduct audits.

The following statistics reflect the collection agent's efforts from September 1984 through December 1, 1985.

Total Placement	[illegible]
Total Collected in Full	[illegible]
Total Secured in Payment Plans	[illegible]
Bankruptcies Identified	[illegible]
Litigation Recommended	[illegible]
Deemed Uncollectible 1/	[illegible]

1/ Includes approximately $1 million in [illegible] cases where judgment had been obtained, but the SOL file contained insufficient documents for [illegible].

In Fiscal Year 1984, HRSA will obtain services through a General Services Administration contract (awarded in September 1983) that provides collection assistance to all Federal government agencies. The support services to be covered under this contract will include the following:

- preparing reports of non-collectibility to support litigation activity
- providing information on the private sector as well as public sector activity of a debtor
- providing location services

TABLE 11

EXPLANATION FOR DEBT MANAGEMENT REPORT
(For Period Ending December 1, 1983)

Delinquency Profile by Stage of Collection

HRSA	$4,147,050
Collection Contractor	1,471,414
DOJ	29,765,416 1/

CURRENT DELINQUENCIES (Face & Interest): $35,383,880
(Face Only): $25,470,087

1/ $9,901,958 of this total represents bankruptcies ($2,035,239 face; $7,866,719 interest).

TABLE 12
SUMMARY STATUS OF ABANDONED MINE RECLAMATION FUND 1/

Fiscal Year	RECEIPTS Amount 2/	RECEIPTS Cumulative	APPROPRIATION Amount	APPROPRIATION Cumulative	Cumulative Unappropriated Balance in Fund 3/
1978	105,444	105,444	36,647	36,647	68,787
1979	184,443	289,887	61,451	98,098	191,789
1980	199,000	488,887	94,843	192,941	295,946
1981	192,657	681,544	82,485	275,426	406,118
1982	222,643	904,187	115,333	390,759	513,428
1983	197,187	1,101,374	213,079	603,838	497,536
1984	216,554	1,317,928	271,228	875,066	442,862
1985	226,426	1,544,354	296,941	1,172,007	372,347
1986	232,159	1,776,513	197,277	1,369,284	407,229
1987	230,791	2,007,304	190,520	1,559,804	447,500

NOTE: Since Fiscal Year 1986-Fiscal Year 1987 receipt and appropriation figures are estimates, the cumulative unappropriated balance at the end of each fiscal year may change considerably.

1/ 1986-87 appropriations and unappropriated balance estimates reflect impacts of the 1986 reduction of $8,864,000, pursuant to P.L. 99-177.

2/ Fiscal Year 1986-Fiscal Year 1987 receipt figures are estimates.

3/ The unappropriated balance is calculated at the end of the fiscal year. Thus, it includes the receipts collected quarterly during that year.

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
	(Dollar Amounts in Thousands)		
($)	2,780	3,482	+702
(FTE-T)	74	89	+15

The requested increase will support augmentation of the AML fee compliance program. During the past several years, the staffing level for fee compliance activities has been constant. OSMRE believes that an increase in staff, both in the Field and at Headquarters (where the current staffing level is only ten FTEs), is needed to provide better policy guidance and coordination. This is necessary to increase the program's efficiency and productivity, carry out national audit priorities, and thereby ensure the highest possible level of fee collection. In addition, the increased emphasis on Section 510(c) permit denial enforcement will require fee compliance staff to work closely with those responsible for developing the Nationwide Applicant Violator System (AVS). The development of a means to use AML fee payment status data in the AVS is now in progress. In the long term, permit denial will provide a powerful impetus to increase AML fee collection.

The increased staff will ensure that appropriate audit priorities are addressed and allow for the comprehensive review of all audits conducted. This will improve the ability of auditors to target high priority operations. At Headquarters, the enlarged staff will assist in the areas of investigation, identification of delinquent operators, denial of permits, and coordination of management information for purposes of developing and enhancing the AVS. The expanded staff level will also lead to the increased productivity of existing personnel through improved scheduling and more complete assessments of mining operations. Some of the specific activities to be emphasized include the following:

- Investigation of records of coal brokers, sales agents, coal transporters, and processing plants in search of unreported coal sales.

- Collection and analysis of aggregrate coal production data at the county, State, and national level to identify significant trends.

- Reports on dollars identified through third party investigations, payment of fees brought about through loan denials, contracts, bond releases, and permits.

- More detailed evaluation and management review of fee compliance audits and audit reports.

- Review and evaluation of State oversight inspections/audits related to AML fee compliance activity.

- Improved coordination with the Solicitor's Office to track and review activity for reclassifications, refunds, installment agreements, etc.
- Development and issuance of periodic management information reports on the amount of money owed, the amount collected, status of cases, status of audits, results of audits, and FCO activity.
- Design of an automated tracking and control system to update the Office of the Solicitor and OSMRE program managers on results of enforcement and litigation efforts and provide input for operational and policy decisions.

The object class distribution of the proposed increase is as follows:

	FTE	$
Personnel	+15	+475,000
Personnel Benefits		+50,000
Travel		+30,000
Communications, Utilities, and Miscellaneous Charges		+20,000
Printing and Reproduction		+15,000
Other Services		+70,000
Supplies		+15,000
Equipment		+27,000
TOTAL	+15	+702,000

Justification of Program and Performance

Activity: Federal Reclamation Programs
Subactivity: Reclamation Program Operations

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Reclamation Program Operations					
$	30,005	28,715	29,992	29,992	---
(FTE-T)	194	194	194	194	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
30,005	-1,290	28,715

As a result of the $1,290,000 reduction, new contracts for projects in non-program States and on Tribal lands will be reduced from the planned level by approximately $575,000; this will still leave $3,375,000 for these projects. Research will be reduced by approximately $500,000 to a new level of $1.4 million. The remainder of the reduction will come from reduced staff travel and deferred equipment purchases.

Authorization: 30 U.S.C. 1231 (Surface Mining Control and Reclamation Act of 1977, Sections 401(c) and 403).

Objectives:

1. Assist and evaluate State Abandoned Mine Land Reclamation (AMLR) plans and programs.
2. Initiate Federal emergency response actions to correct or alleviate problems posing imminent hazards to public safety and well being.
3. Manage abandoned mine land (AML) projects on State and Tribal lands not eligible for AML funds.
4. Oversee development, funding, and administration of technical studies, research, and demonstrations to support State reclamation efforts.
5. Manage existing high priority projects to correct or alleviate AML conditions hazardous to health, safety, and general welfare of the public.

6. Provide technical services to support Federal and State reclamation operations.

7. Provide evaluation of completed Federal reclamation projects.

Base Program:

This new subactivity comprises all functions that were part of the former Federal Reclamation Projects subactivity; and those functions--other than fee compliance and grants administration--that were supported under the former Fund Management subactivity.

The functional responsibilities of this new subactivity include: reclamation program management and assistance to States; the Federal emergency projects program; implementation of high priority projects in non-primacy States and on Tribal lands; and a research and development program. A more detailed discussion of the functions of this subactivity are explained by program components below.

Reclamation Program Management and Assistance to States

This program component includes the overall planning, coordination and management for the States' reclamation programs. OSMRE is required by the Act to monitor the progress and quality of each State's program. Continuous program monitoring and assistance, and formal annual program evaluations of each State help to ensure that State reclamation programs are functioning effectively.

OSMRE implements a program of regular coordination with the States that culminates in the preparation of an annual report on the adequacy and effectiveness of each State's program operations. These reports are based on a review of documents submitted by States (e.g., annual submissions, grants, amendments, semiannual reports), and on-site observation of selected reclamation projects. Regular coordination with the States includes expert assistance on State reclamation projects and a yearly conference between the staffs of OSMRE and State/Tribal AML programs to discuss reclamation issues, technology, and solutions to problems. Fiscal Year 1986 efforts will focus on assistance to correct any problems or administrative deficiencies identified through evaluation and audits.

Other assistance provided to States includes interpreting legal and technical requirements as they pertain to project scope and method. Special emphasis is placed on addressing problems inhibiting efficient and/or effective program operations. The staff is developing policy guidelines that are intended to help increase State obligation rates. Some problems encountered by States in this regard include the lack of an overall planning system to manage the various stages between project design and construction and procurement practices that cause project delays.

State reclamation agencies also confront many technical problems as they implement and improve their reclamation programs. In recent years, OSMRE has allocated increased resources to provide technical assistance to States, as their programs expand and direct Federal involvement in construction projects decreases. Requests from States for assistance involve areas such as environmental assessments, real property issues, land appraisal problems, and site analyses. In addition, the mine map repository formerly managed by the Bureau of Mines provides data valuable in performing responsibilities such as mine permit review, assistance to States and AML investigations. OSMRE expertise is also made available to States for developing construction specifications and engineering cost estimates, and for project monitoring. Under the Federal projects program, OSMRE has awarded a number of Phase I contracts for development of project designs and specifications where States are expected to manage the actual construction.

OSMRE also manages the National AML Inventory under this subactivity. The inventory contains information on unreclaimed abandoned mine problem areas in coal mining States and on Tribal lands, and serves as a planning and evaluation tool for the States and OSMRE. OSMRE has placed major emphasis on refining the Inventory as the most reliable and current date source of information on abandoned mine land problems. Proposed changes to the Inventory are monitored for validity and consistency by each Field Office. This effort is coordinated by OSMRE Headquarters.

OSMRE also is developing a means for apportioning the Secretary's discretionary share of the AML Fund. In accordance with a Congressional directive, OSMRE expects to recommend a proposed alternative for accomplishing apportionment to Congress within the next several months, as part of an analysis of various apportionment options that have been proposed by States and other interested parties.

Emergency Projects

These projects are rapid response activities that provide immediate relief from hazards that threaten public safety and health. Upon notification that an emergency exists, OSMRE personnel will, usually within 48 hours, visit the site to verify whether the situation constitutes an emergency as defined in the Surface Mining Act.

In August 1985, OSMRE issued revised guidelines for the emergency projects program. The guidelines provide a more explicit description of emergency situations and are designed to assure that situations addressed as emergencies meet the criteria set forth in Section 410 of the Act. The guidelines essentially define Federal emergency AML project responsibility as only extending to an abatement of the immediate emergency as set forth in the Act; full reclamation of the site is regarded as the State's responsibility. As a result, it is anticipated that future emergency project obligations will be accommodated within annual appropriation levels, unless unusual circumstances arise.

Non-Program State or Tribal Projects

The Federal reclamation projects program is also responsible for managing projects in States without approved Title IV reclamation programs and on Tribal lands. Funding for several years prior to 1986 was limited and permitted OSMRE to address only a small portion of the potential projects. The 1986 level of $3.9 million will be used to address a backlog of projects on Indian lands; OSMRE intends to complete all Tribal Priority 1 and 2 projects within the next several years. These funds will also be used for projects in non-program States as determined under a ranking and selection process.

High Priority Projects

High priority projects involve active hazards to public health and safety. Conditions which have been addressed under the Federal program include unsafe impoundments of mine waste; unstable waste banks; subsidence in urban areas; mine or wastebank fires adversely impacting urban areas; mine related landslides; and mine discharges that threaten to degrade potable water supplies. In many instances, the condition of abandoned mine lands creates serious health and safety threats through uncontrolled refuse and underground mine fires, unstable spoil and waste piles, unsafe impoundments, acid drainage, open pits, and potential cave-ins. While management of these projects has required fewer resources in recent years due to expansion of State reclamation programs, commitments from earlier years will continue in Fiscal Year 1987.

Research

In 1985, OSMRE initiated an AML research and development program to address problems of national scope. Under the program, OSMRE actively solicits research proposals from States and Tribes as well as from units within the agency. OSMRE also presents proposals, as necessary, for the non-program States and for Tribes. Proposed research projects are reviewed in accordance with explicit criteria including technological need, potential environmental and economic effects, probability of success, efficiency and effectiveness as compared to existing methods and likely degree of applicability. A joint OSMRE/State/Tribal committee and review panel then develops a research plan for implementation during the fiscal year, as well as a research information system for providing research results and program implications for the States and Tribes. Research problems of both a short and long term nature will be addressed. A strong Federal leadership role in research and development is appropriate because the importance to ensure that State grant funds are used to address the highest priority problems necessarily precludes significant State expenditures in this area and because of the need to reduce duplication of effort.

Some recent projects that have been funded include a multi-year study by the National Academy of Sciences on the effectiveness of various reclamation techniques; an assessment of the applications of time domain reflectometry, a technologically advanced electronic pulse technique that has significant promise as a cost effective means for subsidence prediction and monitoring; and a study of the products of coal combustion that may prove applicable in determining the location and extent of underground mine fires, and in monitoring the progress of efforts to control or extinguish such fires.

In Fiscal Year 1986, seventeen projects have been tentatively selected for funding and are awaiting final approval. Some of the research areas to be addressed include acid mine drainage control; techniques for closing hazardous mine openings; and subsidence detection.

The following tables compare resource requirements for 1986 and 1987.

	Fiscal Year 1986 (Staff Years)	Fiscal Year 1987 (Staff Years)
Program Management/State Assistance.	98	98
Perform realty aspects of reclamation projects.	11	11
Engineering analysis and design.	13	13
Contracts proposed, developed, analyzed, and awarded.	7	7
Emergency contract actions and monitoring; includes investigative work prior to declaring an emergency.	26	26
High priority contract monitoring.	14	14
Reclamation technical assistance.	25	25

Program Requirements ($000s)

	1986	1987
Emergency Projects	15,750	15,750
Non-program State and Tribal Projects	3,900	3,900
Research	1,900	1,900
Operations	8,455	8,442
Total	$30,005	$29,992

Tables 13-14 summarize by State and type of project those projects completed or begun as of November 30, 1985. The approximate average cost of emergency projects varies from $45,529 for general problem areas projects to $322,450 for refuse pile projects, with an overall average of $91,297 for each emergency project. Costs for emergency projects are less on the average than those for high priority projects. This is primarily due to project size and to the complexity of the problems encountered. The approximate average cost of high priority projects varies from $59,244 for shaft sealing projects to $527,357 for fire type projects, with an overall average of $275,591 per project.

TABLE 13
EMERGENCY PROJECTS BY STATE AND TYPE OF PROJECT
(All Funds in Thousands of Dollars)
as of November 30, 1985

STATE	FIRES	SUBSIDENCE	SLIDES	GENERAL PROBLEM AREAS	SHAFTS	REFUSE PILES	TOTAL
Alabama							
Funds	0.0	6724.9	405.3	68.1	24.5	0.0	7222.8
No. of Proj.	0	5	1	1	3	0	10
Arizona							
Funds	326.8	0.0	0.0	0.0	0.0	0.0	326.8
No. of Proj.	1	0	0	0	0	0	1
Arkansas							
Funds	11.5	0.0	0.0	0.0	0.0	0.0	11.5
No. of Proj.	1	0	0	0	0	0	1
California							
Funds	0.0	0.0	0.0	0.0	161.2	0.0	161.2
No. of Proj.	0	0	0	0	2	0	2
Colorado							
Funds	486.1	269.1	25.0	0.0	653.7	0.0	1433.9
No. of Proj.	3	22	1	0	12	0	38
Illinois							
Funds	25.5	1121.8	0.0	104.0	345.8	0.0	1597.0
No. of Proj.	4	36	0	3	9	0	52
Indiana							
Funds	32.4	719.9	123.9	0.0	16.1	0.0	892.4
No. of Proj.	2	27	3	0	2	0	34
Iowa							
Funds	0.6	96.5	0.0	0.0	0.0	0.0	97.0
No. of Proj.	1	3	0	0	0	0	4
Kansas							
Funds	5.3	1736.3	0.0	0.0	0.4	0.0	1742.0
No. of Proj.	2	41	0	0	1	0	44

TABLE 13 (continued)
EMERGENCY PROJECTS BY STATE AND TYPE OF PROJECT
(All Funds in Thousands of Dollars)
as of November 30, 1983

STATE	FIRES	SUBSI-DENCE	SLIDES	GENERAL PROBLEM AREAS	SHAFTS	REFUSE PILES	TOTAL
Kentucky							
Funds	2642.0	3035.3	11900.4	299.1	295.4	24.2	18196.5
No. of Proj.	13	15	76	7	5	1	117
Maryland							
Funds	0.0	0.0	0.0	449.2	4.0	0.0	453.2
No. of Proj.	0	0	0	1	1	0	2
Michigan							
Funds	0.0	35.1	0.0	0.0	0.0	0.0	35.1
No. of Proj.	0	2	0	0	0	0	2
Montana							
Funds	53.0	147.5	0.0	2.4	0.0	0.0	202.9
No. of Proj.	3	2	0	1	0	0	6
New Mexico							
Funds	137.2	1707.7	0.0	0.6	4.1	0.0	1849.7
No. of Proj.	4	10	0	1	1	0	16
North Dakota							
Funds	0.3	214.9	0.0	0.0	0.0	0.0	215.2
No. of Proj.	1	3	0	0	0	0	4
Ohio							
Funds	20.5	959.5	984.0	379.2	272.9	0.0	2616.1
No. of Proj.	2	31	15	6	13	0	67
Oklahoma							
Funds	0.0	29.9	0.0	0.0	0.0	0.0	29.9
No. of Proj.	0	3	0	0	0	0	3
Pennsylvania							
Funds	18990.7	9936.4	287.7	353.5	2006.8	0.0	31575.1
No. of Proj.	39	245	6	17	31	0	338
Rhode Island							
Fund	0.0	2.4	0.0	0.0	0.0	0.0	2.4
No. of Proj.	0	1	0	0	0	0	1
Texas							
Fund	0.0	35.0	0.0	0.0	0.0	0.0	35.0
No. of Proj.	0	1	0	0	0	0	1
Tennessee							
Funds	0.0	0.0	97.8	0.0	0.0	0.0	97.8
No. of Proj.	0	0	2	0	0	0	2

TABLE 13 (continued)
EMERGENCY PROJECTS BY STATE AND TYPE OF PROJECT
(All Funds in Thousands of Dollars)
as of November 30, 1985

STATE	FIRES	SUBSI-DENCE	SLIDES	GENERAL PROBLEM AREAS	SHAFTS	REFUSE PILES	TOTAL
Virginia							
Funds	245.8	182.8	1521.6	261.5	54.3	0.0	2266.0
No. of Proj.	1	3	10	2	2	0	18
Washington							
Funds	0.0	69.5	0.0	10.3	80.9	0.0	160.7
No. of Proj.	0	5	0	1	6	0	12
West Virginia							
Funds	1173.0	5425.4	4058.6	257.5	246.2	620.7	11781.5
No of Proj.	14	54	31	8	7	1	115
Wyoming							
Funds	155.6	165.3	0.0	0.0	31.7	0.0	352.5
No of Proj.	3	14	0	0	6	0	23
National Totals							
Funds	24306.3	32615.2	19404.4	2185.4	4198.0	644.9	83354.2
No. of Proj.	94	523	145	48	101	2	913

TABLE 16
HIGH PRIORITY PROJECTS BY STATE BY TYPE OF PROJECT
(All Funds in Thousands of Dollars)
as of November 30, 1983

STATE	FIRES	SUBSIDENCE	SLIDES	GENERAL PROBLEM AREAS	SHAFTS	REFUSE PILES	TOTAL
Alabama							
Funds	145.7	4130.8	48.4	1121.7	143.7	0.0	5616.3
No. of Proj.	1	2	1	6	6	0	16
Alaska							
Funds	0.0	0.0	0.0	170.0	0.0	0.0	170.0
No. of Proj.	0	0	0	2	0	0	2
Arizona							
Funds	0.0	0.0	0.0	325.0	153.1	0.0	478.1
No. of Proj.	0	0	0	1	1	0	2
Arkansas							
Funds	0.0	0.0	0.0	0.0	73.0	0.0	73.0
No. of Proj.	0	0	0	0	7	0	7
California							
Funds	0.0	0.0	0.0	0.0	703.1	0.0	703.1
No. of Proj.	0	0	0	0	2	0	2
Colorado							
Funds	55.6	107.0	0.0	0.0	84.0	0.0	247.0
No. of Proj.	1	3	0	0	2	0	6
Georgia							
Funds	0.0	0.3	0.0	1211.4	38.3	0.0	1250.0
No. of Proj.	0	1	0	3	2	0	6
Illinois							
Funds	0.0	373.0	0.0	1849.0	14779.8	0.0	17002.7
No. of Proj.	0	4	0	6	22	0	32
Indiana							
Funds	0.0	0.0	0.0	997.3	1028.7	0.0	10266.0
No. of Proj.	0	0	0	3	11	0	14
Iowa							
Funds	0.0	0.0	0.0	0.0	45.2	0.0	45.2
No. of Proj.	0	0	0	0	2	0	2
Kansas							
Funds	0.0	904.2	0.0	555.4	0.0	0.0	1459.6
No. of Proj.	0	1	0	2	0	0	3
Kentucky							
Funds	2143.0	164.4	2475.6	3071.3	0.0	0.0	7854.3
No. of Proj.	2	3	8	13	0	0	26

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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]							
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
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[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Projs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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TABLE 5A (continued)
[illegible] PRIORITY PROJECTS BY STATE BY TYPE OF PROJECT
(All Funds in Thousands of Dollars)
as of November 30, 1987

[illegible]	FIRES	[illegible]	[illegible]	GENERAL PROBLEM AREAS	[illegible]	REFUSE PILES	TOTAL
Tennessee							
Funds	0.0	0.0	0.0	4125.1	0.0	0.0	4125.1
No. of Proj.	0	0	0	7	0	0	7
Texas							
Funds	0.0	0.0	0.0	248.6	70.0	0.0	318.6
No. of Proj.	0	0	0	2	1	0	3
Utah							
Funds	24.7	0.0	0.0	157.0	0.0	0.0	181.7
No. of Proj.	1	0	0	2	0	0	3
Virginia							
Funds	[illegible]	0.0	[illegible]	[illegible]	0.0	[illegible]	[illegible]
No. of Proj.	1	0	[illegible]	[illegible]	0	3	17
Washington							
Funds	0.0	[illegible]	0.0	0.0	[illegible]	0.0	[illegible]
No. of Proj.	0	[illegible]	0	0	[illegible]	0	12
West Virginia							
Funds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Proj.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	28
Wyoming							
Funds	[illegible]	[illegible]	0.0	0.0	0.0	0.0	[illegible]
No. of Proj.	[illegible]	[illegible]	0	0	0	0	[illegible]
National Scope							
Funds	[illegible]	0.0	0.0	[illegible]	0.0	0.0	[illegible]
No. of Proj.	1	0	0	0	0	0	1
National Totals							
Funds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
No. of Proj.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Justification of Program and Performance

Activity: Federal Reclamation Programs
Subactivity: Rural Abandoned Mine Program

(Dollar Amounts in Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Dec. (-) From Base
Rural Abandoned Mine Program					
($)	9,424	9,019	9,411	800	-8,611
(FTP-T)	108 1/	108	108	---	-108

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
9,424	-405	9,019

As a result of the $405,000 reduction, the number of contracts for new RAMP projects will be reduced from the planned level. Approximately 46 new contracts had been planned; this number will be reduced to approximately 41.

Authorization: 30 U.S.C. 1231, (Surface Mining Control and Reclamation Act of 1977, Sections 401(c) and 406).

Objectives:

1. Provide technical assistance to landowners and land users for the reclamation, conservation, and development of rural abandoned lands affected by past coal mining.

2. Provide cost sharing assistance for reclamation and conservation treatment.

Base Program:

The Rural Abandoned Mine Program (RAMP) is authorized by Section 406 of the Act to assist landowners in reclamation, conservation, and development of rural abandoned lands affected by past coal mining. The program provides for the control and prevention of erosion and sediment damages from unreclaimed mine lands. Funds for the program have been transferred to the Department of Agriculture, Soil Conservation Service (SCS), which allocates these funds to its State offices where active RAMP contracts exist. Funding priorities for

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1/ No OSMRE personnel are assigned to this subactivity. The figures represent Soil Conservation Service personnel.

projects are established by the SCS State office after local SCS offices designate project ranking priorities. Project priorities are reviewed and approved by the State Reclamation Committee, composed of OSMRE and State reclamation agency representatives.

The program provides technical and financial assistance to landowners who voluntarily enter into 5 to 10 year contracts for the reclamation of eligible abandoned coal-mined lands and waters. Technical assistance includes the administration, planning, design, supervision, and inspection of and related assistance for active contracts under construction. It also entails the inspection of reclamation adequacy, maintenance of active projects and any modifications needed to complete the contract. Modifications to an active project contract may be necessary to ensure that the completed project meets required specifications and standards. Financial assistance covers cost increases for reclamation that accrue between the year in which the project was planned and the time of its execution, and also addresses unanticipated conditions that are disclosed as design and construction proceeds.

Reclamation plans are required for financial assistance under the program. Plans are developed by the landowner with Soil Conservation Service (SCS) specialists; these plans set forth the objectives, type, and amount of reclamation required. Contracts are executed with owners based on the application, classification of priority, and availability of resources.

Projects are usually limited to a maximum of 120 acres, although the Secretary of Agriculture may allow for a contract covering up to 320 acres. Projects have involved determining the impact of acid mine drainage on adjacent farm land; developing publicly owned land that was adversely affected by coal mining, including land acquired for recreation, conservation, and open space benefits; protecting and repairing public facilities such as utilities and roads; establishing vegetative cover; and land grading. Management practices to support the planned land use are usually recommended to ensure maximum benefit of reclamation and prevent a recurrence of problems.

By the end of Fiscal Year 1985, contracts covering the reclamation of over 9,000 acres had been executed since the program's inception; of these, over 5,500 acres had been reclaimed. Over $50 million in funding had been awarded to carry out projects, of which approximately $14 million in contracts remained active. Erosion control and improved water quality were among the benefits typically derived from projects.

Table 15 indicates the projected workload for Fiscal Years 1986-1991, assuming that all contracts are serviced as scheduled. Technical assistance and project modification expenditures may require delaying work on certain contracts, resulting in a 1992 termination date for the program.

TABLE 15
RAMP - NUMBER OF ACTIVE CONTRACTS AND RELATED OBLIGATIONS
FY 1986 - FY 1991

STATES	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
Alabama	30	20	14	14	7	5
Arkansas	9	9	9	9	6	2
Illinois	13	11	11	11	7	2
Indiana	24	0	0	0	0	0
Iowa	16	13	9	9	3	1
Kansas	1	0	0	0	0	0
Kentucky	51	47	32	32	14	6
Maryland	10	9	9	9	4	1
Missouri	3	7	1	0	0	0
North Dakota	9	5	5	5	4	1
Ohio	60	54	35	35	17	7
Oklahoma	7	7	4	4	2	1
Pennsylvania	96	74	50	43	28	10
South Dakota	1	0	0	0	0	0
Tennessee	17	19	29	19	10	3
Texas	15	9	6	6	3	2
Virginia	2	3	3	3	2	1
West Virginia	32	29	25	25	20	7
Wyoming	14	12	9	9	5	3
TOTAL - Active Contracts	410	323	241	233	132	52
Active contracts in preconstruction stage	53	7	5	0	0	0
Active contracts in major construction stage	95	123	62	21	0	0
Active contracts in final completion stage	262	193	174	212	132	52

(Dollar amounts in thousands)

Decrease for Fiscal Year 1987	1987 Base	1987 Estimate	Dec. (-)
($)	9,411	800	-8,611
(FTE-T) 1/	108	---	-108

1/ No OSM positions are assigned to this subactivity. SCS personnel are assigned to this program on a man month basis according to program needs.

The 1987 request reasserts the Administration's policy to rely on the State reclamation grants program as the primary delivery mechanism for reclamation services. State programs have now been operating for several years, and have established capabilities to address various types of reclamation projects, including those commonly addressed under RAMP. Furthermore, States have established priorities and plans for accomplishing reclamation. Given the States' increased capabilities, the need to apply AML funds to accomplish the most feasible amount of reclamation in a cost effective manner, and the importance of reducing duplicative operations, RAMP should move towards phasedown and termination by completing its existing contractual commitments. Accordingly, the request will provide support only for changes to existing construction contracts, allowing for increased costs encountered between the time of a contract's initial execution and actual construction, in which on-site conditions dictate such modifications. These modifications typically require about $4,600 per contract in the major construction stage and $1,000 per contract in the final completion stage.

The object class distribution of the proposed decrease is as follows:

	FTE	$
Personnel	-108	-2,787,000
Personnel Benefits		-380,000
Benefits for Former Personnel		-3,000
Travel		-98,000
Transportation of Things		-15,000
Rental Payments to Others		-74,000
Communications, Utilities, and Miscellaneous Charges		-106,000
Printing and Reproduction		-17,000
Other Services		-187,000
Supplies		-74,000
Equipment		-235,000
Grants		-4,635,000
TOTAL	-108	-8,611,000

Justification of Program and Performance

Activity: Small Operator Assistance Payments

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Dec. (-) From Base
Small Operator Assistance Payments					
$	3,082	2,949	3,082	---	-3,082
FTE-T	---	---	---	---	---

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
3,082	-133	2,949

As a result of the $133,000 reduction, funding for new SOAP grants to States will be reduced. Since States have significant balances of unobligated prior year funds available, however, all qualified program applicants should be accommodated despite the reduction.

Authorization: 30 U.S.C. 1257, (Surface Mining Control and Reclamation Act of 1977, Section 507(c)).

Objectives:

To provide assistance to eligible small mine operators in meeting data requirements for new mining permits.

Base Program:

Small Operator Assistance Payments (SOAP) are authorized by Section 507(c) of the Surface Mining Control and Reclamation Act of 1977. SOAP provides for the regulatory authority on behalf of eligible small operators to pay for certain costs associated with obtaining hydrologic/geologic information that is needed in preparing coal mining permit applications. An eligible small mine operator is one whose actual and attributed coal production does not exceed 100,000 tons per year. Section 401(b) of the Act authorizes appropriations from the Abandoned Mine Reclamation Fund of up to $10 million annually for SOAP payments.

(Dollar amounts in thousands)

Decrease for Fiscal Year 1987	1987 Base	1987 Estimate	Dec.(-)
($)	3,082	-0-	-3,082
(FTE-T)	---	---	---

The decrease is proposed because OSMRE anticipates that projected carryover balances will be sufficient to support for the program in 1987. The expected unobligated balance at the end of Fiscal Year 1986 is $5.5 million, and a program level of $1.8 million is projected for 1987. Consequently, no new budget authority is requested to support the program in Fiscal Year 1987. At this funding level program grants can continue to be awarded to States with operators that require SOAP assistance.

The decrease will occur in Other Services (-$82,000) and Grants (-$3,000,000).

Justification of Program and Performance

Activity: General Administration
Subactivity: Executive Direction

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Executive Direction					
$	830	794	825	825	---
(FTE-T)	16	16	16	16	--

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
830	-36	794

As a result of the $36,000 reduction, an existing staff vacancy will not be filled until the next fiscal year. In addition, staff travel will be reduced.

Authorization: 30 U.S.C. 1295, (Surface Mining Control and Reclamation Act of 1977, Section 712).

Objective:

1. Provide executive leadership, direction, policy and program management for all areas of responsibility for the Office of Surface Mining Reclamation and Enforcement.

Base Program: The Executive Direction subactivity includes the salaries and expenses for the offices of the Director and Deputy Directors and the Director's staff offices for Equal Employment Opportunity, External Affairs, Congressional Liaison, Public Affairs, Regulatory Development and Issues Management, and a Program Evaluation staff.

The total request for Executive Direction is $2,559,000 and 55 FTEs. The request is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The following is a discussion of the total requested for Executive Direction in both appropriations.

Director and Director's Staff Offices

The Director determines program policy and provides direction for all OSMRE regulatory and reclamation programs. The Director establishes policy, makes decisions on organizational structure, budget and legislative proposals, and overall program strategy and implementation. The Director also exercises line supervision over the Deputy Directors and chiefs of Washington staff offices. The Director's staff offices are responsible for: Congressional liaison; a public affairs program; an office of external affairs which maintains an outreach program with industry, States, Tribes, environmental groups and other interested organizations; implementation of equal employment opportunity programs; implementation of Title VI compliance activities with respect to OSMRE grantees and contractors; issue analysis and internal control reviews; correspondence management; and development of rules and regulations to implement OSMRE policy and statutory requirements. In Fiscal Year 1986, regulatory development will be an important function since a primary agency objective is to achieve a stable and consistent regulatory environment by improving the regulatory development process, thus reducing the likelihood of future legal challenges.

OSMRE's regulatory reform effort has involved changes to 670 individual sections in various parts of its technical regulations. The respective lawsuits filed in opposition to these changes were consolidated by Judge Flannery and divided into three rounds. The Court decisions in Rounds I and II required repromulgation of approximately five percent of all sections of the technical regulations revised under regulatory reform. Most of the rules needed to comply with Rounds I and II Court Orders were proposed in Fiscal Year 1985. These final rules and any actions that are required under Round III will be supported through resources budgeted in Fiscal Year 1986. State primacy was not affected by decisions made as a result of the Court rulings. However, revisions to the Federal regulations will result in changes to the corresponding State provisions.

Deputy Director for Operations and Technical Services

The Deputy Director for Operations and Technical Services manages the activities of Headquarters programmatic and technical divisions as well as those carried out by field offices and technical centers. The Assistant Directors for Program Operations, Eastern Operations, and Western Operations report to the Deputy Director, as does the agency's technical training staff.

The Deputy Directorate establishes policy for and provides guidance on all operational State and Tribal assistance activities, State program oversight and administration of Federal regulatory programs. It is also responsible for performance of environmental and economic analyses; management of Federal reclamation projects, development and administration of training programs to meet the technical requirments of OSMRE, other Federal agencies, and the States; and provision of other technical support services to State and Federal regulatory and reclamation programs. Only the immediate Headquarters office of the Deputy Director is included in this subactivity.

Deputy Director for Administration and Finance

The Deputy Director for Administration and Finance manages operations associated with resource and manpower allocation, information management systems, assessments and collections, and fee compliance. The Assistant Directors for Budget and Administration and for Finance and Accounting, and the chief of the Information Systems Management staff, report to the Deputy Director.

The Deputy Directorate is responsible for financial management functions including: grants administration; the collection of civil penalties; payroll, travel and cash management; fee collection and appropriation accounting; fee compliance and audit activities; and financial management systems. It also provides financial services to Headquarters, Field Office and Technical Center managers, including technical assistance on the implementation of Federal financial policies and regulations. The Directorate also administers the collection of Abandoned Mine Reclamation fees; the assessment and collection of civil penalties; and cash management systems improvement. In addition, the agency's information management systems operations are carried out under this Deputy Directorate. The Deputy Director is also responsible for developing policy and guidance for budget activities, personnel, management services and planning activities.

Only the immediate Headquarters offices of the Deputy Directors are included in this subactivity.

Justification of Program and Performance

Activity: General Administration
Subactivity: Administrative Support

(Dollar Amounts In Thousands)

	FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Administrative Support					
$	1,998	1,912	1,992	1,992	---
(FTE-T)	37	37	37	37	--

Gramm-Rudman-Hollings Impact

FY 1986 Enacted To Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
1,998	-86	1,912

As a result of the $86,000 reduction, staff vacancies in the Division of Financial Management and the Division of Planning and Budget will not be filled until the next fiscal year. In addition, all staff offices will incur reduced travel allocations for the balance of the fiscal year.

Authorization: 30 U.S.C. 1295, (Surface Mining Control and Reclamation Act of 1977, Section 712).

Objective:

1. Maintain operational systems that provide administrative support in the functional areas of Personnel, Financial Management, Planning and Budget, Management Services, Information Systems Management, and Grants Administration.

Base Program:

The Administrative Support subactivity includes the immediate offices of the Assistant Directors for Finance and Accounting and Budget and Administration and the five support divisions of: Personnel, Financial Management, Planning and Budget, Management Services, Grants Administration and an Information Systems Management staff.

The total request for Administrative Support is $8,289,000 and 132 FTEs. The request is divided between the Regulation and Technology and Abandoned Mine Reclamation Fund appropriations. The following is a discussion of the total requested for Administrative Support in both appropriations.

Assistant Director for Finance and Accounting

The Assistant Director for Finance and Accounting is responsible for a number of program areas formerly contained in the assistant directorates for Program Operations and Inspection and for Budget and Administration. These include grants administration; the collection of civil penalties; fee collection; and financial management. The new assistant directorate was created to provide a focus for financial systems management operations that must be responsive to a variety of demands. Most of the activities under the new assistant directorate are funded under the newly created Assessments and Collections and Fee Compliance subactivities. The immediate office of the Assistant Director for Finance and Accounting, and the Divisions of Financial Management and Grants Administration, are funded under the Administrative Support subactivity.

1. The Division of Financial Management is responsible for payroll, travel and cash management, fee collection accounting, appropriation accounting and financial management systems. The Division develops and controls accounting and financial reporting systems for Federal financial assistance, and also provides financial services to Headquarters, Field Office and Technical Center managers, including technical assistance on the implementation of Federal financial policies and regulations. The Division also is involved in debt collection and cash management systems improvement. The Division uses data processing facilities and a number of automated financial and administrative systems under support arrangements with the Mine Safety and Health Administration, the Bureau of Mines and the Bureau of Reclamation. The Department of the Treasury's wire transfer system for letter of credit drawdowns on OSMRE grants has been implemented. Significant cash management improvements will result from this system.

2. The Division of Grants Administration is also included in this subactivity and is responsible for the overall administration of the grants programs. The staff will assist in developing policy guidelines that are aimed at improving the evaluations of State submission as well as grant processing procedures. OSMRE's goal is to process administratively complete State grant applications in 60 days. However, the grants administration staff has been processing these applications in substantially less time, while maintaining the thorough review necessary to assure program effectiveness and efficiency.

Assistant Director for Budget and Administration

The Assistant Director for Budget and Administration develops policy for and guides budget formulation and execution, personnel, management services, and planning activities. The Assistant Director provides direct leadership to the following offices financed by this subactivity.

1. The Division of Planning and Budget formulates and executes budget and planning activities and provides policy, central coordination and uniform procedures for budget execution. The Division also provides Headquarters, Field Offices, and Technical Centers with training in budget formulation and execution.

2. The Division of Personnel is responsible for recruitment, classification, position control, pay administration, employment services, employee/labor relations, training, incentive awards, the Federal Equal Opportunity

Recruitment Program and other special emphasis programs, and also implements conflict of interest procedures for Federal/State/Tribal employees. The Division provides personnel services to Headquarters and Field employees and is responsible for the Agency's security program.

3. The Division of Management Services provides direct support to Headquarters and guidance to Field Offices and Technical Centers in the areas of procurement, space and property, telecommunications, vehicle fleet management, mail handling, safety management, and other general office services. The Division develops and maintains administrative systems relating to correspondence and paperwork management, forms management, clearance of reporting and recordkeeping requirements. The Division also assists OSMRE program offices in the design and development of information systems; and reviews, maintains, and evaluates ADP systems to provide information required by the public, States, Tribes, and OSMRE program elements.

Also included in this subactivity is the Information Systems Management staff, who report directly to the Deputy Director for Administration and Finance. The staff consolidates the development and implementation of all ADP systems management policy in a single Headquarters component. The Information Systems Management staff is responsible for establishing ADP technical standards for internal Bureau use and for use by OSMRE contractors; managing all ADP and systems-oriented contracts from the preparation of technical requirements and quality assurance; and developing and maintaining long and short range ADP plans for the systems needs of OSMRE. The staff is responsible for the development and operation of all bureau-wide management information systems, technical systems development and operations including coordination with States and Tribes; and the development and implementation of a micro-computer policy and program aimed at the effective and economical use of micro-computer applications throughout the bureau. The staff also manages the bureau-wide program of configuration management for control of all baseline software in the production stage, and provides staff support to the bureau's Management Information Resources Council.

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	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

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[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]

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Item	Cost
Standard Level User Charges	$3,859,000
FTS (telephone system)	860,0090
Printing and Copy Center Operations	130,000
All Other	4,281,000
TOTAL	$9,130,000

Increase for Fiscal Year 1987	1987 Base	1987 Estimate	Inc. (+)
$	2,029	2,829	+800
(FTE)	—	—	—

The increase is to implement OSMRE's initiative to decentralize certain program and administrative functions from Headquarters to field office and technical center locations. The decentralization initiative, which is being funded in both appropriations, will relocate operations and personnel to provide more accessible services to State programs and to OSMRE field locations, while maintaining policy and overall agency management functions at Headquarters. The primary objective of the initiative is to provide an organizational framework through which programmatic objectives and actions can be carried out most effectively and efficiently. OSMRE is now determining which functions should be relocated, the requirements and timing for relocation, and the various options involved in determining the precise location of functions. OSMRE will begin functional realignment in the latter part of Fiscal Year 1986, with full implementation occurring in Fiscal Year 1987. The entire initiative will be planned to minimize disruptions in operational and administrative functions. It is expected that Headquarters, which now contains appropximately one-third of OSMRE's personnel, will ultimately contain twenty percent. Consequently, the transfer of approximately 125 positions is expected.

The request for costs associated with the decentralization initiative is $3,000,000, which is divided among both appropriations. The request in this appropriation is $800,000. Most of the request will support the relocation of personnel and their families; the remainder will support costs associated with the acquisition of office space, including the renegotiation of existing office space leases as required, and the establishment of support facilities.

The object class distribution of the proposed increase is as follows:

	FTE	$
Personnel Benefits		+125,000
Travel		+50,000
Transportation of Things		+350,000
Communications, Utilities, and Miscellaneous Charges		+100,000
Other Services		+125,000
Supplies		+10,000
Equipment		+40,000
TOTAL	—	+800,000

Abandoned Mine Reclamation Fund

Schedule of Amounts Available for Appropriation ($000s) 1/

	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
Unappropriated balance, start of year	442,862	372,347	407,229
Receipts 2/	226,426	232,159	230,791
Total Available for Appropriation	669,288	604,506	638,020
Appropriation	-296,941	-206,141	-190,520
Reduction pursuant to P.L. 99-177	---	-8,864	---
Unappropriated balance, end of year	372,347	407,229	447,500

1/ Totals reflect Gramm-Rudman-Hollings (P.L. 99-177) reduction for 1986.

2/ 1986-87 receipts totals are estimates.

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Summary of Requirements by Object Class
(Dollar Amounts in Thousands)

Appropriation: Abandoned Mine Reclamation Fund		1987 Base FTE	1987 Base Amount	1987 Estimate FTE	1987 Estimate Amount	Inc.(+)/Dec.(-) FTE	Inc.(+)/Dec.(-) Amount
Object Class							
11.	Personnel Compensation:						
11.1	Permanent positions—FTE-P...........	354	10,984	265	8,792	-89	-2,192
11.3	Positions other than permanent.......	75	1,616	71	1,548	-4	-68
11.5	Other personnel compensation.........	—	152	—	100	—	-52
	Total Personnel Compensation.........	429	12,752	336	10,440	-93	-2,312
Other Objects							
12.1	Personnel Benefits...................		1,791		1,586		-205
13.0	Benefits for Former Personnel........		3		—		-3
21.0	Travel & Transportation of Persons...		920		902		-18
22.0	Transportation of Things.............		115		450		+335
23.1	Standard Level User Charges..........		1,140		1,140		—
23.2	Rental Payments to Others............		74		—		-74
23.3	Comm., Utilities, and Miscel. Charges		1,251		1,265		+14
24.0	Printing and Reproduction............		217		215		-2
25.0	Other Services.......................		22,187		22,113		-74
26.0	Supplies and Materials...............		399		350		-49
31.0	Equipment............................		827		659		-168
41.0	Grants, Subsidies and Contributions..		164,591		151,400		-13,191
	TOTAL REQUIREMENTS...................	429	206,267	336	190,520	-93	-15,747

Note: Table includes allocation to the Soil Conservation Service for the Rural Abandoned Mine Program.

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund
Program and Financing
(In Thousands of Dollars)

Identification code 14-5015-0-2-302	19 85 actual	19 86 estimate	19 87 estimate
Program by Activities			
1. State Reclamation Program Grants...	272,881	163,326	150,600
2. Federal Reclamation Programs.......	62,000	61,842	34,274
3. Small Operator Assistance Payments.	1,462	1,800	1,800
4. General Administration.............	5,398	4,758	5,646
10.0001 Total Obligations.............	341,741	231,726	192,320
Financing:			
11.0001 Offsetting collections from: Federal sources	-17	—	—
17.0001 Recovery of prior year obligations	-50,418	—	—
21.4001 Unobligated balance available Start of Year (-)...........	-25,444	-31,080	-5,495
24.4001 Unobligated balance available End of Year.................	31,080	5,495	3,695
39.0001 Budget Authority..............	296,941	206,141	190,520
Budget Authority:			
40.0001 Appropriation (special fund)..	296,941	207,385	190,520
40.0002 Reduction pursuant to P.L. 99-190.................	—	-1,244	—
43.0001 Appropriation (adjusted)......	296,941	206,141	190,520
Relation of Obligations to Outlays:			
71.0001 Obligations incurred, net.....	341,724	231,726	192,320
72.4001 Obligated balance, Start of Year..........................	457,629	551,936	545,864
74.4001 Obligated balance, End of Year	-551,936	-545,864	-486,466
78.0001 Adjustments in unexpired accounts.....................	-50,418	—	—
90.0001 Outlays.......................	196,999	237,798	251,718
(Memo cut: 31.8)	(Memo cut: 8)	(Memo cut: 8)	(Memo cut: 4.8)

OSM-138

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund

Object Classification (In Thousands of Dollars)

Identification code 14-5015-0-2-302		19 85 actual	19 86 estimate	19 87 estimate
	Personnel Compensation:			
111.101	Full-time permanent positions	7,800	8,353	8,792
111.301	Positions other than full-time permanent....................	1,232	1,552	1,548
111.501	Other Personnel Compensation..	185	100	100
111.901	Total Personnel Compensation..	9,217	10,005	10,440
	Personnel Benefits:			
112.101	Civilian......................	1,298	1,415	1,586
121.001	Travel and Transportation of Persons..................	704	1,063	902
122.001	Transportation of Things......	72	100	450
123.101	Standard Level User Charges...	2,487	957	1,140
123.301	Communications, Utilities and Miscellaneous Charges........	530	1,145	1,265
124.001	Printing and Reproduction.....	175	200	215
125.001	Other Services................	35,467	41,435	22,213
126.001	Supplies and Materials........	300	325	350
131.001	Equipment.....................	577	592	659
141.001	Grants, Subsidies and Contributions...............	279,934	165,026	152,300
144.001	Refunds.......................	3	—	—
199.001	Subtotal Obligations, OSMRE...	330,764	222,263	191,520

(Memo cut: 21.8) (Memo cut: 8) (Memo cut: 8) (Memo cut: 4.8)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund

Object Classification (In Thousands of Dollars)

Identification code 14-5015-0-2-302	19 85 actual	19 86 estimate	19 87 estimate
Allocation Accounts			
Personnel Compensation:			
311.101 Full-time Permanent Positions...	3,040	2,676	—
311.301 Positions other than full-time permanent.............	97	70	—
311.501 Other Personnel Compensation...	59	52	—
311.901 Total Personnel Compensation...	3,196	2,798	—
Personnel Benefits:			
312.101 Civilian..........................	437	382	—
313.001 Benefits for Former Personnel	4	3	—
321.001 Travel and Transportation of Persons..................	94	98	—
322.001 Transportation of Things.......	14	15	—
323.201 Rental Payments to Others......	71	74	—
323.301 Communications, Utilities and Miscellaneous Charges........	102	106	—
324.001 Printing and Reproduction......	16	17	—
325.001 Other Services.................	239	187	—
326.001 Supplies and Materials.........	71	74	—
331.001 Equipment......................	433	235	—
341.001 Grants, Subsidies and Contributions	6,299	5,473	800
342.001 Insurance Claims and Indemnities.................	1	1	—
399.901 Subtotal, Allocations.........	10,977	9,463	800
999.901 Total Appropriation Obligations................	341,741	231,726	192,320

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Abandoned Mine Reclamation Fund

Personnel Summary

Identification code 14-5015-0-2-302	19 85 actual	19 86 estimate	19 87 estimate
Office of Surface Mining Reclamation and Enforcement			
Total Number of Permanent Positions....	250	250	265
Total Compensable Workyears:			
Full-time Equivalent Employment....	286	321	336
Full-time Equivalent of Overtime and Holiday Hours...............	3	3	3
Full-time Equivalent of Youth Program/Developmental Positions	5	6	6
Average GS Salary.....................	33,944	34,410	34,875
Average GS Grade......................	10.29	10.27	10.27
Average ES Salary.....................	68,375	68,375	68,375
Allocation to the Soil Conservation Service			
Total Number of Permanent Positions...	118	104	—
Total Compensable Workyears:			
Full-time Equivalent Employment...	125	108	—
Average GS Salary.....................	25,842	26,100	—
Average GS Grade......................	8.75	8.75	—

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STANDARD FORM 306
July 1968, Bureau of the Budget
Circular No. A-11, Revised.
306-103

DEPARTMENT OF THE INTERIOR
Office of Surface Mining Reclamation and Enforcement
Consolidated Schedule of Permanent Positions
Paid from Funds Available to the Office of Surface Mining

DETAIL OF PERMANENT POSITIONS

	19 85 actual	19 86 estimate	19 87 estimate
Executive Level V............................	1	1	1
ES-5.......................................	2	2	2
ES-4.......................................	4	4	4
ES-3.......................................	3	3	3
ES-2.......................................	1	1	1
Subtotal..............................	11	11	11
GS/GM-15...................................	44	45	45
GS/GM-14...................................	87	88	88
GS/GM-13...................................	155	158	159
GS-12......................................	165	184	186
GS-11......................................	91	106	112
GS-10......................................	—	—	—
GS-9.......................................	39	48	56
GS-8.......................................	10	10	10
GS-7.......................................	66	74	74
GS-6.......................................	44	49	49
GS-5.......................................	50	53	57
GS-4.......................................	60	60	60
GS-3.......................................	24	24	24
GS-2.......................................	—	—	—
Subtotal..............................	835	899	920
Total Permanent Positions...............	846	910	931
Unfilled Positions, End of Year..........	-17	-12	-10
Total Permanent Employment End of Year...	829	898	921

OSM-142

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Department of the Interior
Fiscal Year 1987 Budget for Consulting Services

Bureau: Office of Surface Mining Reclamation and Enforcement

Appropriation Account Title/ Identification Code No.	Amount Requested in 1987	Program Requiring Services	Description of Need for Services
Regulation and Technology (14-1801-0-1-32)	40	Sampling strategy for oversight inspections.	To interpret and explain results of statistical sampling inspections to a non-statistical audience, including field office personnel. In addition, to assist in the evaluation of data collected during OSMRE oversight of State programs.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

BUREAU OF INDIAN AFFAIRS

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Budget Justification, Fiscal Year 1987
Congressional Submission

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DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

Budget Justification, Fiscal Year 1987
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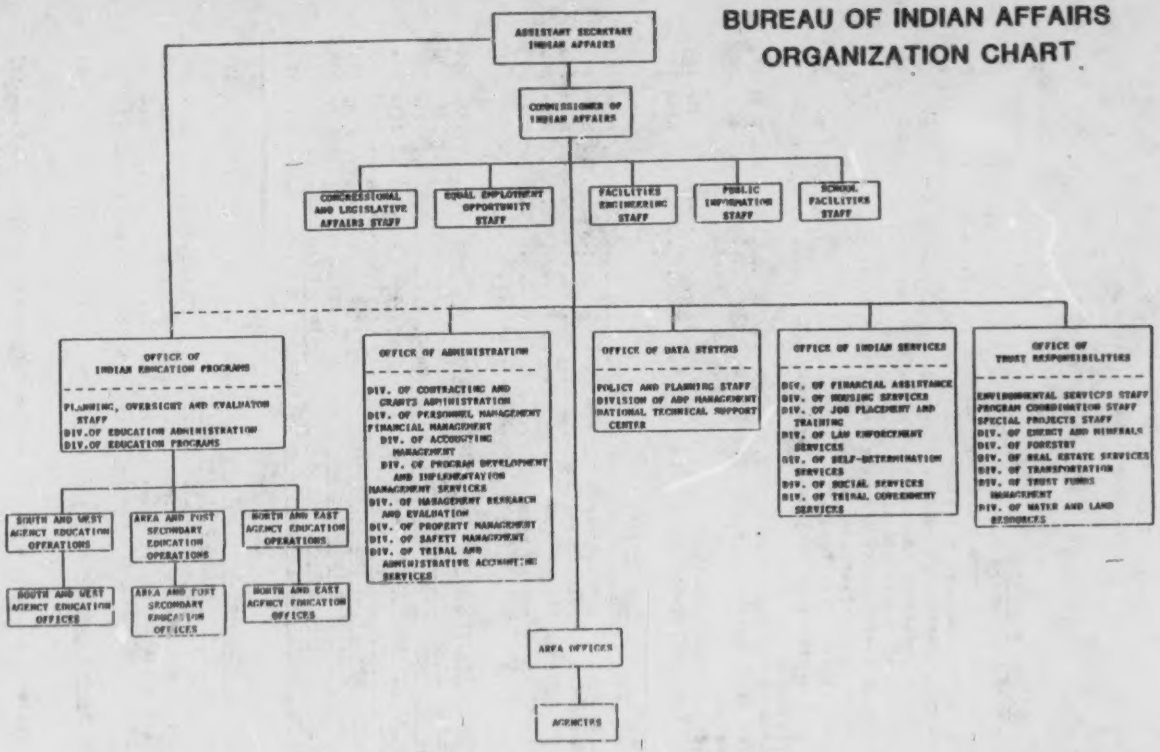
CHART

BUREAU OF INDIAN AFFAIRS ORGANIZATION CHART


ASSISTANT SECRETARY INDIAN AFFAIRS
COMMISSIONER OF INDIAN AFFAIRS
CONGRESSIONAL AND LEGISLATIVE AFFAIRS STAFF
EQUAL EMPLOYMENT OPPORTUNITY STAFF
FACILITIES ENGINEERING STAFF
PUBLIC INFORMATION STAFF
SCHOOL FACILITIES STAFF
OFFICE OF INDIAN EDUCATION PROGRAMS
PLANNING, OVERSIGHT AND EVALUATON STAFF
DIV.OF EDUCATION ADMINISTRATION
DIV.OF EDUCATION PROGRAMS
SOUTH AND WEST AGENCY EDUCATION OPERATIONS
AREA AND POST SECONDARY EDUCATION OPERATIONS
NORTH AND EAST AGENCY EDUCATION OPERATIONS
SOUTH AND WEST AGENCY EDUCATION OFFICES
AREA AND POST SECONDARY EDUCATION OFFICES
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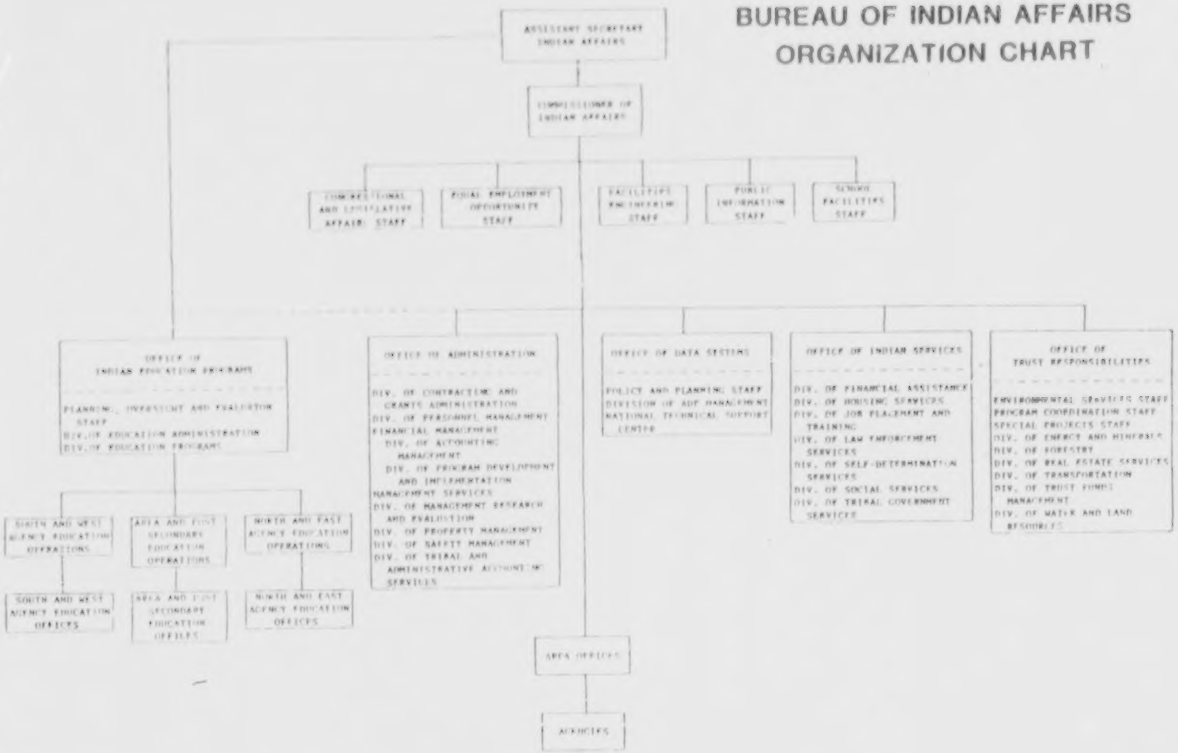
OFFICE OF ADMINISTRATION
DIV. OF CONTRACTING AND GRANTS ADMINISTRATION
DIV. OF PERSONNEL MANAGEMENT
FINANCIAL MANAGEMENT
DIV. OF ACCOUNTING MANAGEMENT
DIV. OF PROGRAM DEVELOPMENT AND IMPLEMENTATION
MANAGEMENT SERVICES
DIV. OF MANAGEMENT RESEARCH AND EVALUATION
DIV. OF PROPERTY MANAGEMENT
DIV. OF SAFETY MANAGEMENT
DIV. OF TRIBAL AND ADMINISTRATIVE ACCOUNTING SERVICES
OFFICE OF DATA SYSTEMS
POLICY AND PLANNING STAFF
DIVISION OF ADP MANAGEMENT
NATIONAL TECHNICAL SUPPORT CENTER
OFFICE OF INDIAN SERVICES
DIV. OF FINANCIAL ASSISTANCE
DIV. OF HOUSING SERVICES
DIV. OF JOB PLACEMENT AND TRAINING
DIV. OF LAW ENFORCEMENT SERVICES
DIV. OF SELF-DETERMINATION SERVICES
DIV. OF SOCIAL SERVICES
DIV. OF TRIBAL GOVERNMENT SERVICES
OFFICE OF TRUST RESPONSIBILITIES
ENVIRONMENTAL SERVICES STAFF
PROGRAM COORDINATION STAFF
SPECIAL PROJECTS STAFF
DIV. OF ENERGY AND MINERALS
DIV. OF FORESTRY
DIV. OF REAL ESTATE SERVICES
DIV. OF TRANSPORTATION
DIV. OF TRUST FUNDS MANAGEMENT
DIV. OF WATER AND LAND RESOURCES
AREA OFFICES
AGENCIES

12/24/84 #2612
Replaces 6/8/83 #2502

BUREAU OF INDIAN AFFAIRS ORGANIZATION CHART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12/24/84 #2612
Replaces 6/8/83 #2502

GENERAL STATEMENT

The Bureau of Indian Affairs was created in the War Department in 1824 and in 1849 was transferred to the Department of the Interior. The history of the relationship between Indian tribes and the U.S. Government reveals that the mission of the BIA was founded on a government-to-government relationship and a trust responsibility emanating from treaties and other agreements. The Bureau, therefore, as an agent of the U.S. Government, recognizes a fundamental responsibility to American Indian tribes and the tribal form of government. The Bureau's mission is presently viewed as three-fold: (1) to recognize and preserve the inherent rights of tribal self-government, to strengthen tribal capacity for self-government, and to provide resources for tribal government programs; (2) to protect the rights of Indian people in dealing with other governmental entities and the private sector; and (3) to fulfill and execute the Federal Government's responsibility for trust resources and property.

The Snyder Act of 1921 (42 Stat. 208; 25 U.S.C. 13) provides substantive law for appropriations covering the activities of the Bureau of Indian Affairs. The scope and character of the authorizations contained in this Act were broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.); by the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450); by amendments to Title XI of the Elementary and Secondary Education Amendments Act of 1978 (P.L. 95-561); by the Indian Child Welfare Act of 1978 (P.L. 95-608); and by the Tribally Controlled Community College Assistance Act of 1978 (P.L. 95-471, as amended).

The Bureau of Indian Affairs is headquartered in Washington, D.C. but a majority of headquarters staff is located in Albuquerque, New Mexico, with smaller staff contingents located in other western states. The Bureau has 12 area offices, 83 agencies, 6 field stations, 4 irrigation project offices, 3 post-secondary institutions, 56 day schools, 45 boarding schools, 7 off-reservation boarding schools, 57 contract schools and 14 dormitories. It provides services to 786,000 Indians, Eskimos, and Aleuts with this clientele in 32 states. The Bureau carries out the government-to-government function for the Federal Government with 309 Indian tribes in the "lower 48 states" and provides some services to 197 Alaska Native organizations. The Bureau administers 43,236,837 acres of tribally-owned and 10,209,378 acres of individually-owned land which is held in trust status. It also administers, 947,025 acres of federally-owned land.

The summary on the following page provides a comparison between the FY 1986 appropriation enacted to date and the 1987 request (dollar amounts in thousands). The summary also contains a FY 1986 adjusted appropriation column to reflect the proposed reductions in compliance with P.L. 99-177, Balanced Budget and Emergency Deficit Control Act.

SUMMARY TABLE

Appropriation	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	(+)(-) from Enacted	Permanent Employment 11/30/85
Federal Funds:					
Operation of Indian Program.$	891,928	853,575	862,060	-29,868	
(FTE/T)	(12,644)	(12,644)	(12,397)	(-247)	11,714
Construction................$	100,448	96,129	59,155	-41,293	
(BIA FTE/T)	(152)	(152)	(149)	(-3)	84
(Non-Add Allocation to BurRec FTE/T)	[14]	[14]	[--]	[-14]	
Road Construction...........$	--	--	--	--	
(Reimbursable FTE/T)	(33)	(33)	(33)	--	30
(Allocation fr. FHWA FTE/T)	(682)	(682)	(682)	--	505
Pymnt to Alaska Escrow Fund.$	7,830	7,493	--	-7,830	
Indian Loan Guaranty and Insurance Fund.......$	2,197	2,103	2,485	+288	
Sub-Total, Appropriations Requested..............$	1,002,403	959,300	923,700	-78,703	
(FTE/T)	(13,511)	(13,511)	(13,261)	(-250)	12,333
Permanent and Trust Funds:					
Tnfr to Constr for Fire Supp$	4,900	4,689	--	-4,900	
Miscellaneous Permanents....$	51,000	50,914	54,000	+3,000	
(FTE/T)	(469)	(469)	(469)	(--)	470
Trust Funds.................$	432,457	432,457	467,453	+34,996	9
Cooperative Fund (Papago)...$	1,060	1,060	1,150	+90	
Quarters O&M................$	8,000	8,000	9,000	+1,000	20
(FTE/T)	(20)	(20)	(20)	(--)	
Budget Authority, Total BIA $	1,499,820	1,456,420	1,455,303	-44,517	
(FTE/T)	(14,000)	(14,000)	(13,750)	(-250)	12,832

Highlights of the FY 1987 BIA Funding Request

The following comparisons for the dollar increases/decreases were arrived at by adjusting the FY 1987 Base to reflect restoration of P.L. 99-177 reductions made to the FY 1986 appropriated amounts.

The $923,700,000 requested includes increases in Social Services ($1,190,000), Law Enforcement ($506,000), Self-Determination Services ($4,241,000), Business Enterprise Development ($1,169,000), Real Estate and Financial Trust Services ($4,589,000), Management and Administration ($1,048,000), Program Management (Construction) ($500,000), Consolidated Training Programs ($1,350,000), Loan Guaranty ($288,000), and other small amounts ($72,000). It also includes decreases for School Operations (-$3,999,000), Continuing Education (-$2,371,000), Tribal Government Services (-$206,000), Employment Development (-$506,000), Forestry and Agriculture (-$11,449,000), Minerals, Mining, Irrigation and Power (-$453,000), Indian Rights Protection (-$5,087,000), Facilities Management (-$1,133,000), ADP Services ($-992,000), Tribe/Agency Operations ($-6,336,000 for Alaska programs), Irrigation Construction (-$4,321,000), Construction B & U (-$6,405,000), Land Acquisition (-$2,386,000), Housing (-$28,181,000), Alaska Escrow (-$7,830,000), and other small amounts (-$5,000).

This request meets all operational needs in the Bureau, it is highly supportive of the mandate to meet the balanced budget and deficit reduction policies legislated by the Congress and reflects the growing role of tribal governments in the operation of reservation programs.

Tribe/Agency Operations

A new budget activity proposed for FY 1987 is Tribe/Agency Operations. All funding for Tribe/Agency Operations, which is currently in the base funding under the Indian Priority System, is justified under this consolidated activity. This provides for justification of the total funding which supports programs subject to tribal, as opposed to national, programmatic priorities. Funds requested are in three categories: (1) management operations; (2) general operations; and (3) trust operations. The following narrative describes how the budget is formulated for this activity.

The Indian Priority System (IPS) has been used in developing the funding packages displayed in this budget activity. The IPS allows the tribal governments to participate in the Federal budget process. This system supports Section 16 of P.L. 73-383 (25 U.S.C. 476), the Indian Reorganization Act, which includes language as follows:

> "The Secretary of the Interior shall advise such tribe or its tribal council of all appropriate estimated or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget [now OMB] and the Congress."

In the early 1970's, increased emphasis on tribal government involvement in the operation of Bureau programs became Federal policy. As a part of that policy change, the Bureau began its "Band Analysis" program development and budget formulation process. This process encourages direct tribal government involvement in the setting of relative priorities for the local operating programs. Tribes are invited to consult with the Agency Superintendent to determine how much funding and staffing each Bureau program should have within the overall funding to be made available to the Bureau. Not all programs are included in the process. Construction programs are among those not included because they are cyclical and often do not have a continuing program at any one tribal location.

Several other programs such as housing, education and special projects have also been removed from the system based on legislative action. Since the early 1970's, many refinements of the "Band Analysis" process have been tried, some discarded and some retained. Today the system is computer-based and is called the Indian Priority System (IPS). The tribes still often refer to the process as the "Band Analysis".

In FY 1987, $20.7 million has been transferred to the Tribe/Agency Operations activity from separate line item programs administered by the Central Office. The transfers were made for those programs which represent continuing and stable operations and should therefore be available to tribes in the budgeting process under the Indian Priority System. The programs for which these transfers were made include special tribal courts, tribal work experience program administration, special law enforcement, timber sales administration, forest development, Boldt decision fish management, fish hatchery operations, and fish management programs. Transfers totalling $1.5 million were made from tribe/agency operations to the Central Office. These transfers include funds for the Land Titles and Records Offices.

Tribe/Agency Operations

Total funding for Tribe/Agency Operations in FY 1987 is $295 million (+1 FTE). The net decrease of $6,336,000 consists of a reduction of $6,336,000 (-32 FTE) for BIA programs in Alaska, a decrease of $4,000,000 for self-determination grants, and an increase of $4,000,000 (+33 FTE) which will be spread among Indian tribes based on their own priorities for funding.

School Operations

Funding for school operations is being decreased by $3,999,000. The decrease consists of -$1,200,000 for non-recurring items included in FY 1986 related to academic standards (such as staffing adjustments and purchase of library books, periodicals, and media equipment) and a decrease of $2,799,000 for the Indian School Equalization Program (ISEP). The decrease to ISEP reflects the transfer of residential students to day school programs, changes to the Intensive Residential Guidance program and the Bilingual program, and the continuing emphasis on adjusting appointments of school staffs to an appropriate number of pay periods.

Johnson O'Malley

For FY 1987 responsibility for the Johnson O' Malley (JOM) program is proposed to be transferred to the U.S. Department of Education (ED). The JOM program, which serves eligible Indian students in public schools, will be consolidated with ED's public school program under the Indian Education Act. The Department of Education will assume full responsibility for Indian children attending public schools.

Indian Education Act Funding

For FY 1987 selected programs in the Department of Education which benefitted children in BIA funded schools will be transferred to the Bureau of Indian Affairs. These programs, banded at $11,500,000, are special enrichment grants, educational services grants and pilot and demonstration grants. This transfer will give the BIA responsibility for full funding of Indian students in BIA-supported schools. $2,000,000 of the transferred amount is for the Indian Fellowship Program which duplicates, to a large degree, the BIA Special Higher Education Program.

Continuing Education

The FY 1987 program reflects a decrease of -$1,939,000 for the Special Higher Education program (see Indian Education Act Funding, above) and a decrease of -$432,000 for operating grants to Tribally Controlled Community Colleges.

Tribal Government Services

The FY 1987 program includes decreases in Community Services (-$79,000, -3 FTE) and All Other Aid to Tribal Government (-$127,000, -2 FTE). These decreases are the result of changes in Area Office priorities.

Social Services

The net increase of $1,190,000 consists of an increase of $3,833,000 for general assistance to needy Indians in FY 1987, an increase of $100,000 (+3 FTE) for the quality control program and decreases of -$2,710,000 for grants to organizations under the Indian Child Welfare Act and -$33,000 (-2 FTE) at Area Offices.

Law Enforcement

Increased funding of $500,000 (+12 FTE) will permit the hiring of additional criminal investigators to improve the rate at which on-reservation crime is prosecuted. It will also allow the Bureau to furnish equipment for detention centers which recently have been renovated (+$100,000). Area Office priority changes resulted in a decrease of -$94,000 (-2 FTE).

Self-Determination

The requested increase of $4.2 million for Self-Determination Services reflects an increase of $5.6 million to cover the indirect costs of new tribal contracts, an increase in technical assistance, and a decrease of $1.7 million for Small Tribes Core Management grants. The increase in funds to support new contracts reflects continuing progress in the Administration's efforts to encourage increased P.L. 93-638 contracting by tribes. The adjustment in the Small Tribes Core Management Program reflects a phase down of the program to a maintenance level, and its phase out in the Juneau Area.

Business Enterprise Development

The FY 1987 economic development grant program will be increased by $1,068,000 to provide additional Indian Business Development Program grants to individuals and tribes. These grants provide 25 percent of the funding for economic development projects matched by 75 percent funding from the private sector. The individual grants will be approved at the Area Office level; and $101,000 (+3 FTE) is proposed to facilitate the additional workload.

Forestry and Agriculture

The major decrease in this category is $6.0 million of the one-time cost in FY 1986 to cover emergency hay relief for livestock in North and South Dakota and Montana. Other decreases include Forest Development (-$3,750,000) and Fire Equipment (-$415,000). Water Policy Implementation (-$1,500,000) and Wildlife and Parks (-$110,000) are also reduced. The Forest Development program retains $4.4 million to continue the backlog elimination program started in 1977. The +1 FTE is the result of revised Area Office priorities.

Minerals, Mining, Irrigation & Power

The 1987 program includes the reduction of a one-time amount for Hopi coal lease re-negotiation efforts (-$100,000) and an increase of $960,000 in special projects which will be used in support of the overall plan to correct oil and gas royalty payment problems in the BIA. This increase is offset by a decrease of $960,000 in minerals assessments. There is also a decrease of $353,000 in irrigation operation and maintenance funding.

Indian Rights Protection

The FY 1987 program has a decrease of $315,000 in Environmental Quality Services. Other reductions include: -$1,020,000 in litigation support and -$350,000 in attorney fees; reductions in Alaska for historical and cemetery sites investigations (-$1,658,000, -20 FTE); deferral of some work involving subsistence and allotments in Alaska (-$700,000, -10 FTE); Native Group Grant payments (-$412,000) and land selection cost payments (-$750,000).

Real Estate and Financial Trust Services

The FY 1987 Real Estate Services program contains an increase of +$3,937,000 (+4 FTE) which includes about $3 million for cadastral surveys, mostly in Alaska, and more than $700,000 for Land Records Improvement. The Financial Trust Services program contains an increase of +$450,000 which includes an increase of +$150,000 to improve trust fund investment operations and $300,000 to develop and implement a trust fund accounting system. An increase of +$202,000 is requested for Trust Services, General, as a result of Area Office priority changes.

Facilities Management

The reduction in funds for the operation and maintenance of existing facilities activity includes a transfer of funds for demolitions (-$300,000) to the Construction Management activity, and Agency closings in Alaska (-$1,248,000). This reduction is partially offset by an increase (+$415,000) for operation and maintenance of newly constructed Bureau facilities.

Management and Administration

An increase of +$1,048,000 (+11 FTE) will finance an expected increase in costs of FTS, postage and other intra-governmental billings, travel and printing costs (+$428,000); improved fund control and program analysis (+$123,000, +3 FTE); a contract management system (+$166,000, +1 FTE); financial management system corrections (+$330,000); development of single agency classification standards and study of excepted qualification standards related to Indian preference (+$76,000); and Area Office adjustments due to priority changes (-$75,000, +7 FTE).

Employee Compensation

The proposed increase of $72,000 will be used to establish a chargeback system for Department of Labor billings for workers compensation benefits to the Bureau organization where the accident/illness occurred. This chargeback system will promote safety for the employees and produce expected monetary savings to the Bureau since managers will have greater incentive to improve their safety programs in order to reduce this expense.

Program Management

This increase represents, in part, the transfer of $300,000, from Existing Facilities Operation and Maintenance. Of this increase, $200,000 will be applied to the Facility Safety Inspection Program to perform more frequent inspections through contract to identify life safety hazard projects in Bureau facilities and $300,000 to demolish Bureau facilities that are underutilized.

ADP Services

The overall reduction is offset partially by increased funding (+$108,000) required to fully cover Central Office staff costs. The reduction in Central Office System Support due to cost avoidance derived from "buy-out" of leased equipment (-$2,250,000) will be offset by proposed purchases of small ("micro") computers for pilot projects to enhance program/administrative operations (+$300,000), equipment for Indian Integrated Resources Inventory. Program (+$500,000), and equipment for Trust Fund Management (+$350,000).

Consolidated Training Program

This increase will be used to recruit and train qualified Indians to improve the quality and efficiency of the services provided by the Bureau to tribal groups. To achieve this objective the Bureau will activate understudy, cooperative education, and in-service training programs for its employees. The funding will cover the developmental expenses such as: course fee/ tuition, instructors, materials, and other specialized training/education costs.

Buildings and Utilities

The FY 1987 request of $28,960,000 for Facilities Improvement and Repair will be used to correct unsafe conditions in existing Bureau facilities.

Irrigation Systems

The FY 1987 program contains $1,500,000 to continue funding for the Papago Irrigation Project, Arizona. Funds are requested ($1,000,000) for the Flathead Indian Irrigation Project, Montana, to rehabilitate the project's irrigation distribution system. Funding ($9,155,000) is also included for continuation of the dam safety program. This program includes providing early warning systems for ten projects and structural modifications on 13 projects. The request also includes funds for surveys and designs ($500,000) and engineering and supervision ($1,745,000) for Indian irrigation projects throughout the United States.

Housing

The FY 1987 request of $16,295,000 will continue renovation of existing homes for needy Indians on reservations and the general management of the program Bureauwide.

Road Construction

Project funds ($75,000,000) are included in contract authority allocations from the Highway Trust Fund administered by the Federal Highway Administration (FHWA), Department of Transportation, and are not included in the Interior Department budget. In FY 1987, the Bureau of Indian Affairs will continue to finance all costs of the Indian road construction program through this contract authority. These include funds for Central Office program management and for program supervision by the area/agency offices, not to exceed 5% of the total contract authority allocation. A total of 33 FTE/T is financed in this account for the field equipment pool operations which collect rentals as reimbursements for the use of BIA-owned heavy equipment used on FHWA projects. All other program FTE/T (682) will be available from the FHWA allocation account in FY 1987 to carry out work using the funding provided by the FHWA.

Indian Loan Guaranty and Insurance Fund

The Indian Financing Act Amendments of 1984 authorized the Bureau to request funds for payment of interest subsidies on guaranteed loans, management and technical assistance on these loans, and to reimburse the fund for losses paid on guaranteed loans. The funds requested in FY 1987 will pay for one year's interest subsidy and for management and technical assistance in FY 1987. The expected level of total new loan guarantees is $30,000,000 in FY 1987.

Cooperative Fund (Papago)

This fund was established in FY 1983 under the provisions of section 313 of the Southern Arizona Water Rights Settlement Act (96 Stat. 1274-1285). The purpose of the fund is to finance the costs incurred by the Secretary of the Interior for operation, maintenance and repair activities related to the delivery of water to the Papago Tribe in 1992 or after the completion of the Central Arizona Project. Only interest accruing to the fund may be expended. The FY 1987 amount is estimated interest accruing to the fund principle of $10,500,000.

Alaska Reduction

The FY 1987 budget proposes savings of $12 million to be derived by eliminating or reducing funding for a variety of BIA programs in Alaska. Programs that would be discontinued include: agricultural extension, adult education, Indian child welfare (ICWA), small tribes grants, road maintenance, minerals & mining, water resources, and facilities management. This proposed reduction will be partially offset by an increase of $2,500,000 to accelerate surveys of Alaska Native allotments. Alaska has only one reservation. Over 30 percent of Alaska Natives live in urban areas, and the remainder live in villages which can receive state revenue sharing under Alaska State law to meet needs. Given the improvement in native economic status; the absence of large blocks of trust land that the United States has statutory responsibility to fully manage; the absence of any tribal treaty rights to be protected; and improved Bureau operating efficiencies; the Administration believes that Alaska Natives no longer require the levels of financial support that the Federal Government provided in the past. In the recent past, the State has taken on greater responsibility for serving Alaska Natives with education and welfare assistance programs. The following table summarizes the proposed reductions:

Program	$000	FTE
Indian Child Welfare Act Grants	$ -710	--
Small Tribes Core Management Grants	-679	--
ANILCA Programs	-700	-10
ANCSA Cemetary/Historical Sites	-1,568	-20
Facilities Management	-1,248	-7
Tribe/Agency Operations	-6,336	-32
Housing	-797	-3
TOTAL	$-12,038	-72

Appropriation Language

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

For operation of Indian programs by direct expenditure, contracts, cooperative agreements and grants including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with states and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions, or schools; grants and other assistance to needy Indians; maintenance of law and order; management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs, including payment of irrigation assessments and charges; acquisition of water rights; advances for Indian industrial and business enterprises; operation of Indian arts and crafts shops and museums; development of Indian arts and crafts, as authorized by law; for the general administration of the Bureau of Indian Affairs, including such expenses in field offices, [$891,312,000] $862,060,000, of which not to exceed [$54,556,000] $29,916,000 for higher education scholarships [and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.),] shall remain available for obligation until September 30, [1987] 1988, and the funds made available to tribes and tribal organizations through contracts or consolidated grants authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, [1987] 1988: Provided, That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs[; Provided further, That not to exceed $17,966,000 shall be obligated for automatic data processing in fiscal year 1986;] unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services; and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640(d)-18(a)), [$2,886,000] $2,931,000, to remain available until expended: [and an additional $6,000,000 which, notwithstanding any other law, is immediately available for obligation before January 18, 1986, by the Secretary of the Interior through the Bureau of Indian Affairs only for the emergency provision of hay to Indians using the distribution formula of the Indian Acute Distress Donation Program to aid in maintaining foundation cattle herds in Montana, North Dakota, and South Dakota. The Secretary may, but is not required to, enter into contracts under section 102 of the Indian Self-Determination Act (88 Stat. 2206; 25 U.S.C. 450f) in connection with the appropriation made in this paragraph and no indirect cost or overhead shall be allowed under any such contract from any appropriation. All costs incurred directly or indirectly by the Secretary in connection with the appropriation made in this paragraph for other than the direct cost of the hay and its transportation shall be met from other amounts appropriated for the operation of Indian programs. Any part of the appropriation made in this paragraph which is not expended by March 15, 1986, shall be deobligated and shall not be available for obligation or expenditure.] [The Secretary of the Interior shall make a report or reports to Congress by September 1, 1986 on (1) the use of the appropriation in the preceeding paragraph, (2) the impact of the drought disaster on the Indian reservations in Montana, North Dakota, and South Dakota, (3) long-term strategies to address the disaster on each of those reservations, and (4) the effectiveness of the carrying out of the roles (including resource management and the establishment, waiver, and collection of grazing fees and rents or other payments) of the Federal and tribal governments in ranching, agriculture, and other land use on Indian reservations throughout the United States with recommendations to improve that effectiveness.]

Provided further, That [N]none of these funds shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act; Provided further, That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress; Provided further, That for the fiscal year ending September 30, 1987, the Secretary may not contract for the establishment or operation of a school not currently operated by the Bureau or assisted by the Bureau under contract. [Provided further, That notwithstanding any other provision of law, within fourteen days of the date of enactment of this Act the Snowflake Dormitory in Arizona shall be closed and thereafter no funds available to the Bureau of Indian Affairs shall be available to operate an educational or boarding program at that location; Provided further, That notwithstanding any law or regulation, in allocating funds for aid to public schools under this Act of April 16, 1934, as amended, the Secretary shall enter into contracts only for the provision of supplementary educational services for Indian children; Provided further, That the Secretary of the Interior shall transfer without cost to the Saint Labre Indian School of Ashland, Montana, the interests of the United States in the supplies and equipment required by or for the school during the period when it was financially aided by the Bureau of Indian Affairs.] (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Appropriation Summary Statement

BUREAU OF INDIAN AFFAIRS
Appropriation: Operation of Indian Programs

The Operation of Indian Programs appropriation consists of a wide range of services provided to the American Indian. Special emphasis is place on tribal participation and involvement. Activities that provide these services are:

1. Education - This activity provides funding for Bureau operated and contracted elementary and secondary schools. It also provides financial assistance to Indian students for higher education studies, supports tribally operated post-secondary institutions, and offers continuing education programs in many communities.

2. Indian Services - This activity provides municipal-type government services for Indian communities along with financial assistance to tribes in self-government and self-determination projects.

3. Economic development and employment programs - This activity provides technical and financial aid programs which stimulate reservation economies and help Indian individuals and organizations to fully participate in those economies. These programs emphasize development of business enterprises owned and operated by Indians; assistance to Indians in securing and managing loans; assistance to Indians in locating, qualifying, and occupying jobs; and road maintenance to provide for the movement of people and goods.

4. Natural resources development - This activity provides for the conservation, development, and use of Indian land, water, and related resources.

5. Trust responsibilities - This activity provides for the protection of Indian rights and property, and the management of assets held in trust for Indian tribes and individuals.

6. Facilities management - This activity provides for the maintenance and operation of Bureau facilities and the provision of GSA owned or leased facilities.

7. General administration - These functions include executive direction, administrative services, safety management, ADP services, employee compensation payments, construction management, and education program management.

8. Tribe/Agency Operations - This is a new budget activity for FY 1987. It is designed to display all funds supporting stable and continuing programs that are subject to local priorities rather than national programmatic priorities. Tribe/Agency Operations include funding for local service programs which are planned and operated at the Tribe/Agency level and some programs which are consolidated at the area office level but offer direct services to tribes and individuals.

Reimbursable programs - These programs are funded by users of the services for the operation of the Seattle warehousing and shipping operation in Alaska; reimbursement from states for school lunches for Indian children; funds granted to the Bureau by other Federal agencies to carryout special service programs for Indians; and for miscellaneous goods and services provided to others.

Justification of Proposed Language Changes

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

1. Deletion: "and assistance to public schools under the Act of April 16, 1934 (48 Stat. 596), as amended (25 U.S.C. 452 et seq.),"

   Language is not necessary for fiscal year 1987 since the program is not proposed for fiscal year 1987 as part of the Bureau's budget request. The program is proposed to be added to the Department of Education request.

2. Modification: "or consolidated grants"

   Language is needed to allow the Bureau of Indian Affairs to extend the carryover authority to include consolidated grants which may be requested at the option of the tribe(s).

3. Deletion: "Provided further, That not to exceed $17,900,000 shall be obligated for automatic data processing in fiscal year 1986;"

   This language applies to fiscal year 1986 and is not necessary in fiscal year 1987.

4. Modification: "unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services;"

   The language is needed to allow the Bureau of Indian Affairs to extend cooperative agreement alternatives to tribes without complicating the accounting of funds between annual and two-year availabilities.

5. Deletion: "and an additional $6,000,000 which, notwithstanding any other law, is immediately available for obligation before January 18, 1986, by the Secretary of the Interior through the Bureau of Indian Affairs only for the emergency provision of hay to Indians using the distribution formula of the Indian Acute Distress Donation Program to aid in maintaining foundation cattle herds in Montana, North Dakota, and South Dakota. The Secretary may, but is not required to, enter into contracts under section 102 of the Indian Self-Determination Act (88 Stat. 2206; 25 U.S.C. 450f) in connection with the appropriation made in this paragraph and no indirect cost or overhead shall be allowed under any such contract from any appropriation. All costs incurred directly or indirectly by the Secretary in connection with the appropriation made in this paragraph for other than the direct cost of the hay and its transportation shall be met from other amounts appropriated for the operation of Indian programs. Any part of the appropriation made in this paragraph which is not expended by March 15, 1986, shall be deobligated and shall not be available for obligation or expenditure."

   The language applies to a one time increase to relieve the situation that arose from drought that existed during calendar year 1985 and affected winter livestock feeding during fiscal year 1986. Therefore, the language is not necessary for fiscal year 1987.

6. Deletion: "The Secretary of the Interior shall make a report or reports to Congress by September 1, 1986 on (1) the use of the appropriation in the preceeding paragraph, (2) the impact of the drought disaster on the Indian

reservations in Montana, North Dakota, and South Dakota, and (3) long-term strategies to address the disaster on each of those reservations, and (4) the effectiveness of the carrying out of the roles (including resource management and the establishment, waiver, and collection of grazing fees and rents or other payments) of the Federal and tribal governments in ranching, agriculture, and other land use on Indian reservations throughout the United States with recommendations to improve that effectiveness."

Language applies to fiscal year 1986 and is not necessary for fiscal year 1987.

7. Modification: "That for the fiscal year ending September 30, 1987, the Secretary may not contract for the establishment or operation of a school not currently operated by the Bureau or assisted by the Bureau under contract.

   Language needed to allow the Bureau of Indian Affairs to reinstate a moratorium on new school starts.

8. Deletion: "Provided further, That notwithstanding any other provision of law, within fourteen days of the date of enactment of this Act the Snowflake Dormitory in Arizona shall be closed and thereafter no funds available to the Bureau of Indian Affairs shall be available to operate an educational or boarding program at that location: Provided further, That notwithstanding any law or regulation, in allocating funds for aid to public schools under this Act of April 16, 1934, as amended, the Secretary shall enter into contracts only for the provision of supplementary educational services for Indian children: Provided further, That the Secretary of the Interior shall transfer without cost to the Saint Labre Indian School of Ashland, Montana, the interests of the United States in the supplies and equipment acquired by or for the school during the period when it was financially aided by the Bureau of Indian Affairs."

   This language is not required in fiscal year 1987 since these actions were accomplished in fiscal year 1986.

Appropriation Language Citations

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

1. For operation of Indian programs by direct expenditure, contracts, cooperative agreements and grants

25 U.S.C. 13
P. L. 93-638, sections 102(a) and 104(a)
P. L. 95-224

25 U.S.C. 13 provides for direct operation of various Federal programs for Indians throughout the United States.

P. L. 93-638, section 102(a) provides that, The Secretary of the Interior is directed, upon the request of any Indian tribe to enter into a contract or contracts with any tribal organization or any such Indian tribe to plan, conduct, and administer programs.....provided for in the Act of April 16, 1934 (48 Stat. 596), as amended by this Act, any other program....which the Secretary of the Interior is authorized to administer for the benefit of Indians under the Act of November 2, 1921 (42 Stat. 208), and any Act subsequent thereto....."

P. L. 93-638, section 104(a) provides that, "The Secretary of the Interior is authorized, upon the request of any Indian tribe (from funds appropriated for the benefit of Indians pursuant to the Act of November 2, 1921 (42 Stat. 208) and any Act subsequent thereto) to contract with or make a grant or grants to any tribal organization....."

P. L. 95-224 provides procedures for preparing Federal contracts, grants and cooperative agreements.

2. including expenses necessary to provide education and welfare services for Indians, either directly or in cooperation with States and other organizations, including payment of care, tuition, assistance, and other expenses of Indians in boarding homes, institutions or schools; grants and other assistance to needy Indians;

25 U.S.C. 13
25 U.S.C. 309,309a
25 U.S.C. 452-454
25 U.S.C. 631-639

25 U.S.C. 13 provides for "general support and civilization, including education."

25 U.S.C. 309, 309a provide for vocational training and counseling, including institutional training, apprenticeship, on the job training, and nurses training in order to help adult Indians who reside on or near Indian reservations to obtain reasonable and satisfactory employment.

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Affairs

25 U.S.C. 452-454 provide for the contracting with any state or territory, or political subdivisions thereof, state university, college, or school, or with any appropriate state or private corporation, agency, or institution to furnish educational and welfare services;

25 U.S.C. 631-639 provide for basic programs for the conservation and development of resources for the Navajo and Hopi Tribes.

3. maintenance of law and order;

25 U.S.C. 13

25 U.S.C. 13 provides for ". . . for the employment of . . . Indian police, Indian judges, . . . for the suppression of traffic in intoxicating liquor and deleterious drugs."

4. management, development, improvement, and protection of resources and appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs,

7 U.S.C. 1651-1654
16 U.S.C. 583, 590a, 590f, 594
25 U.S.C. 13, 318a, 500-500f, 631-639
33 Stat. 595
35 Stat. 558
36 Stat. 855

7 U.S.C. 1651-1654 provide for protection of the livestock industry from losses caused by the poisonous weed Halogeton Glomeratus.

16 U.S.C. 583, 590a, 590f, 594 provide for Indian forest management, soil and moisture conservation and protection of forests from fire, disease or insects.

25 U.S.C. 13 provides for the management development, improvement, and protection of Indian lands and resources.

25 U.S.C. 318a provides for the management and protection of appurtenant facilities under the jurisdiction of the Bureau of Indian Affairs.

25 U.S.C. 500-500f provide for acquiring and organizing a reindeer industry or business for the Alaska Natives.

25 U.S.C. 631-639 provide for basic programs for the conservation and development of resources for the Navajo and Hopi Tribes.

33 Stat. 595 provides for sale and disposition of surplus and unallotted lands (Yakima). Proviso now covered under 25 U.S.C. 372.

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

35 Stat. 558 provides for survey and allotment and the sale and disposal of surplus lands (Fort Peck). Proviso now covered under 25 U.S.C. 372.

36 Stat. 855 provides for determining heirs, sale and disposition of allotments of deceased Indians, and for leasing of allotments and for other purposes (25 U.S.C. 372).

5. including payment of irrigation assessments and charges; acquisition of water rights;

25 U.S.C. 13, 381, 385
49 Stat. 887
52 Stat. 80
54 Stat. 707

25 U.S.C. 13 provides for ".....for extension, improvement, operation and maintenance of existing Indian irrigation systems and for development of water supplies."

25 U.S.C. 381 provides for use of water and distribution thereof.

25 U.S.C. 385 provides for the fixing of maintenance charges; and that moneys expended under this proviso shall be reimbursable where Indians have adequate funds to repay the Government.

49 Stat. 887 as amended, provides for the Secretary of the Interior to enter into an agreement with Middle Rio Grande Conservancy District for maintenance and operation costs on newly reclaimed Pueblo Indian lands.

52 Stat. 80 provides for amending rate of payment of irrigation construction costs on Wapato Irrigation Project, Yakima, Washington.

54 Stat. 707 provides for payment for costs of providing additional water for Wapato Indian Irrigation Project, Washington.

6. advances for Indian industrial and business enterprises;

25 U.S.C. 13
88 Stat. 82; 98 Stat. 1725-1726
(25 U.S.C. 1521-1523)

25 U.S.C. 13 provides "For industrial assistance and advancement....."

88 Stat. 82 The Indian Financing Act of 1974, "established within the Department of the Interior the Indian Business Development Program whose purpose is to stimulate and increase Indian entrepreneurship and employment by providing equity capital through nonreimbursable grants made by the Secretary of the Interior to Indians and Indian tribes to establish and expand profit-making Indian-owned economic enterprises on or near reservations."

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

98 Stat. 1725-1726; 1984 Amendments provides that, "no grant in excess of $100,000 in the case of an Indian and $250,000 in the case of an Indian tribe, or such lower amount as the Secretary may determine to be appropriate, may be made under this subchapter. There are authorized to be appropriated not to exceed the sum of $10,000,000 per year for fiscal year 1986 and each fiscal year thereafter for the purposes of this subchapter.

7. operation of Indian arts and craft shops and museums; development of Indian arts and crafts, as authorized by law;

25 U.S.C. 305

25 U.S.C. 305 provides "A board is created in the Department of the Interior to be known as "Indian Arts and Crafts Board".....to promote the economic welfare of the Indian tribes and the Indian wards of the Government through the development of Indian arts and crafts and the expansion of the market for the products of Indian art and craftsmanship. There is hereby authorized to be appropriated .....such sums as may be necessary to defray the expenses of the Board and carry out the purposes and provisions of section 305 to 305c of this title....."

8. for the general administration of the Bureau of Indian Affairs, including such expenses in field offices,

25 U.S.C. 13

25 U.S.C. 13 provides ".....and for general and incidental expenses in connection with the administration of Indian Affairs."

9. $__________, of which not to exceed $__________ for higher education scholarships shall remain available for obligation until September 30, 19__,

25 U.S.C. 13

25 U.S.C. 13 provides ".....general support and civilization, including education."

10. and the funds made available to tribes and tribal organizations through contracts or consolidated grants authorized by the Indian Self-Determination and Education Assistance Act of 1975 (88 Stat. 2203; 25 U.S.C. 450 et seq.) shall remain available until September 30, 19 : Provided, That this carryover authority does not extend to programs directly operated by the Bureau of Indian Affairs unless the tribe(s) and the Bureau of Indian Affairs enter into a cooperative agreement for consolidated services;

88 Stat. 2203
(25 U.S.C. 450 et seq.)

88 Stat. 2203; 25 U.S.C. 450 provides that, "To provide maximum Indian participation in the Government and education of the Indian people; to provide for the full participation of Indian tribes in programs and services conducted by the Federal Government for Indians and to encourage the development of human resources of the Indian people; to establish a

BUREAU OF INDIAN AFFAIRS

Appropriation: Operation of Indian Programs

> program of assistance to upgrade Indian education; to support the right of Indian citizens to control their own educational activities; and for other purposes." Section 8 of this act authorized that "..... any funds appropriated pursuant to the Act of November 2, 1921 (42 Stat. 208), for any fiscal year which are not obligated and expended prior to the beginning of the fiscal year succeeding the fiscal year for which such funds were appropriated shall remain available for obligation and expenditure during such scucceeding fiscal year."

11. and includes expenses necessary to carry out the provisions of section 19(a) of Public Law 93-531 (25 U.S.C. 640(d)-18(a)), $__________, to remain available until expended:

P.L. 93-531, section 19(a)

> P.L. 93-531, section 19(a) authorized and directs the Secretary to reduce livestock in joint use area to carrying capacity of lands and institute conservation practices to grazing potential of area.

12. Provided further, That none of the funds appropriated to the Bureau of Indian Affairs shall be expended as matching funds for programs funded under section 103(b)(2) of the Carl D. Perkins Vocational Education Act:

> This is special appropriation language to prevent duplication of funding for programs authorized under the other cited legislation.

13. Provided further, That no part of any appropriations to the Bureau of Indian Affairs shall be available to provide general assistance payments for Alaska Natives in the State of Alaska unless and until otherwise specifically provided for by Congress:

> This language clarifies the intent of Congress that general assistance in Alaska is prohibited in FY 1985 and hereafter. This was necessitated due to various interpretations of a Congressional directive contained in the Appropriations Act for FY 1982 which ultimately kresulted in BIA terminating the general assistance program in Alaska on March 31, 1982.

14. Provided further, That for the fiscal year ending September 30, 1987, the Secretary may not contract for the establishment or operation of a school not currently operated by the Bureau or assisted by the Bureau under contract.

> This language intends that no new schools be established, However, it is not intended to prevent conversion of existing Bureau schools to contract operation. This language will be retained until final regulations, acceptable to the Congress, are issued by the Brueau.

BUREAU OF INDIAN AFFAIRS
Summary of Requirements

Appropriation: Operation of Indian Programs

(dollar amounts in thousands)

	FTE/T	Amount	FTE/T	Amount
Appropriation currently available, 1986			12,644	891,928
1986 P.L. 99-177 Budget Authority cancellation			0	(38,353)
Adjusted Appropriation, 1986			12,644	853,575
Adjustments to Base and built-in changes:				
Adjustment for 1986 impact of P.L. 99-177	--	+38,353		
Title IV program transfer from Department of Education	--	+11,500		
Transfer of Johnson O'Malley program to Department of Education	--	(23,044)		
Other Transfers:				
Internal transfer of Area Office Education programs	--	±217		
Internal transfer of Social Services IWEP administration	--	±403		
Internal transfer of Special Law Enforcement to priority system	--	±7,900		
Internal transfer of Employment Development programs	--	±544		
Internal transfer of Technical Assistance for Credit programs	--	±490		
Internal transfer of Forestry programs	±200	±8,100		
Internal transfer of Water Rights Negotiation/Litigation funding	--	±10,353		
Internal transfer of Michigan Settlement base funding	--	±700		
Internal transfer of Fish Hatchery Operations	--	±4,364		
Internal transfer of Fish Management programs	--	±2,150		
Internal transfer of Former USFWS Hatcheries	±41	±453		
Internal transfer of Land Title and Records Offices	±48	±1,069		
Internal transfer of C.O. Facilities Management Staff	±16	±638		
Internal transfer of Construction Supv. & Boiler Inspection funds	--	±490		
Internal transfers of ADP Services funds (net amount)	--	±709		
Internal transfer of TR/AG Operations funding and staffing to new separate activity	±3,712	±301,424		
Internal Area Office Direct/Field Operations base transfers (net amount of all such transfers)	--	±452		
Other decreases:				
GSA Rentals	--	(440)		
Employee Compensation Fund	--	(12)		
Subtotal adjustments to base and built-in changes			--	26,357
1987 Base Budget			12,644	879,932
Program changes (changes to base budget detailed below)			(247)	(17,872)
Total Requirements (1987 Estimate)			12,397	862,060

Comparison by	FY 1985 Actual		1986 Enacted to Date		P.L. 99-177	FY 1986 Adjusted	FY 1987 Base		FY 1987 Estimate		Inc./(Dec.) from FY 1986 Appropriation		Inc./(Dec.) frm FY 1986	Inc./(Dec.) from FY 1987 Base	
Activities/Subactivities:	FTE	Amount	FTE	Amount	Reduc.	Approp.	FTE	Amount	FTE	Amount	FTE	Amount	Adj. Approp	FTE	Amount
EDUCATION															
School Operations................	4,618	177,265	4,570	189,378	8,143	181,235	4,570	189,595	4,359	185,596	(211)	(3,782)	4,361	(211)	(3,999)
Johnson O'Malley.................	0	25,674	0	23,044	991	22,053	0	0	0	0	0	(23,044)	(22,053)	0	0
Continuing Education.............	276	53,256	270	56,438	2,427	54,011	249	22,583	249	20,212	(21)	(36,226)	(33,799)	0	(2,371)
Education Contract Support.......	0	13,496	0	0	0	0	0	0	0	0	0	0	0	0	0
Rescission (Sec. 2901)...........	0	(47)	0	0	0	0	0	0	0	0	0	0	0	0	0
Base Trnsfr from Dept. of Educ...	0	0	0	0	0	0	0	11,500	0	11,500	0	11,500	11,500	0	0
SUBTOTAL, EDUCATION.............	4,894	269,644	4,840	268,860	11,561	257,299	4,819	223,678	4,608	217,308	(232)	(51,552)	(39,991)	(211)	(6,370)
INDIAN SERVICES															
Tribal Government Services.......	218	26,019	207	32,233	1,386	30,847	76	5,810	71	5,604	(136)	(26,629)	(25,243)	(5)	(206)
Social Services..................	213	107,476	210	113,199	4,868	108,331	40	91,913	41	93,103	(169)	(20,096)	(15,228)	1	1,190
Law Enforcement..................	514	44,387	526	48,570	2,089	46,481	33	2,595	43	3,101	(483)	(45,469)	(43,380)	10	506
Self-Determination Services......	64	24,162	77	21,337	917	20,420	38	8,021	38	12,262	(39)	(9,075)	(8,158)	0	4,241
Navajo/Hopi Settlement Program...	64	2,773	63	2,931	126	2,805	63	2,931	63	2,931	0	0	126	0	0
Indian Services Contract Support.	0	15,226	0	0	0	0	0	0	0	0	0	0	0	0	0
Rescission (Sec. 2901)...........	0	(972)	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL, INDIAN SERVICES.......	1,073	219,071	1,083	218,270	9,386	208,884	250	111,270	256	117,001	(827)	(101,269)	(91,883)	6	5,731
ECONOMIC DEVELOPMENT & EMPLOYMENT															
Employment Development...........	111	25,504	96	26,698	1,148	25,550	9	3,099	7	2,593	(89)	(24,105)	(22,957)	(2)	(506)
Business Enterprise Development..	130	20,924	115	13,775	592	13,183	49	10,474	52	11,643	(63)	(2,132)	(1,540)	3	1,169
Road Maintenance.................	395	21,890	388	23,069	992	22,077	2	319	2	314	(386)	(22,755)	(21,763)	0	(5)
Economic Dev/Empl. Contract Supp.	0	2,684	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL, ECONOMIC DEV. & EMPLOY	636	71,002	599	63,548	2,732	60,810	60	13,892	61	14,550	(538)	(48,992)	(46,260)	1	658

Comparison by Activities/Subactivities:	FY 1985 Actual FTE	FY 1985 Actual Amount	1986 Enacted to Date FTE	1986 Enacted to Date Amount	P.L. 99-177 Reduc.	FY 1986 Adjusted Approp.	FY 1987 Base FTE	FY 1987 Base Amount	FY 1987 Estimate FTE	FY 1987 Estimate Amount	Inc./(Dec.) from FY 1986 Appropriation FTE	Inc./(Dec.) from FY 1986 Appropriation Amount	Inc./(Dec.) frm FY 1986 Adj. Approp	Inc./(Dec.) from FY 1987 Base FTE	Inc./(Dec.) from FY 1987 Base Amount
NATURAL RESOURCES DEVELOPMENT															
Forestry & Agriculture............	1,288	99,477	1,451	101,997	4,385	97,612	348	31,161	349	19,712	(1,102)	(82,285)	(77,900)	1	(11,449)
Minerals & Mining, Irrig. & Power	68	20,830	66	17,529	754	16,775	30	15,781	30	15,328	(36)	(2,201)	(1,447)	0	(453)
Natural Res. Dev. Contract Supp..	0	4,612	0	0	0	0	0	0	0	0	0	0	0	0	0
Rescission (Sec. 2901)...........	0	(818)	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL, NATURAL RESOURCES DEV.	1,356	124,101	1,517	119,526	5,139	114,387	378	46,942	379	35,040	(1,138)	(84,486)	(79,347)	1	(11,902)
TRUST RESPONSIBILITIES															
Indian Rights Protection.........	188	21,873	142	21,408	920	20,488	54	22,495	24	17,408	(118)	(4,000)	(3,080)	(30)	(5,087)
Real Estate/Financial Trust......	737	28,601	791	29,852	1,284	28,568	193	8,262	197	12,851	(594)	(17,001)	(15,717)	4	4,589
Trust Respons. Contract Support..	0	861	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL, TRUST RESPONSIBILITIES	925	51,335	933	51,260	2,204	49,056	247	30,757	221	30,259	(712)	(21,001)	(18,797)	(26)	(498)
FACILITIES MANAGEMENT............	1,415	90,616	1,334	91,298	3,926	87,372	1,318	89,730	1,318	88,597	(16)	(2,701)	1,225	0	(1,133)
GENERAL ADMINISTRATION															
Management & Administration......	1,179	48,750	1,231	49,240	2,117	47,123	737	30,482	748	31,530	(483)	(17,710)	(15,593)	11	1,048
ADP Services.....................	94	17,748	131	17,934	771	17,163	131	18,643	131	17,651	0	(283)	488	0	(992)
Employee Compensation Payments...	0	6,858	0	7,478	322	7,156	0	7,466	0	7,538	0	60	382	0	72
Program Management...............	109	4,805	98	4,520	195	4,325	114	5,648	114	6,148	16	1,628	1,823	0	500
Consolidated Training Programs...	0	0	0	0	0	0	0	0	0	1,350	0	1,350	1,350	0	1,350
Rescission (Sec. 2901)...........	0	(391)	0	0	0	0	0	0	0	0	0	0	0	0	0
SUBTOTAL, GENERAL ADMINISTRATION	1,382	77,770	1,460	79,172	3,405	75,767	982	62,239	993	64,217	(467)	(14,955)	(11,550)	11	1,978

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Summary of Requirements - Continued

Operation of Indian Programs:

Comparison by Activities/Subactivities:	FY 1985 Actual FTE	FY 1985 Actual Amount	1986 Enacted to Date FTE	1986 Enacted to Date Amount	P.L. 99-177 Reduc.	FY 1986 Adjusted Approp.	FY 1987 Base FTE	FY 1987 Base Amount	FY 1987 Estimate FTE	FY 1987 Estimate Amount	Inc./(Dec.) from FY 1986 Appropriation FTE	Inc./(Dec.) from FY 1986 Appropriation Amount	Inc./(Dec.) frm FY 1986 Adj. Approp	Inc./(Dec.) from FY 1987 Base FTE	Inc./(Dec.) from FY 1987 Base Amount
TRIBE/AGENCY OPERATIONS							3,712	301,424	3,713	295,088	3,713	295,088	295,088	1	(6,336)
TOTAL DIRECT PROGRAM (Approp.)...	11,681	903,539	11,766	891,928	38,353	853,575	11,766	879,932	11,549	862,060	(217)	(29,868)	8,485	(217)	(17,872)
Reimbursable Program............	868		878				878		848		(30)			(30)	
TOTAL PROGRAM OPERATIONS.........	12,549	903,539	12,644	891,928	38,353	853,575	12,644	879,932	12,397	862,060	(247)	(29,868)	8,485	(247)	(17,872)

Justification of Adjustments to Base

Adjustments for 1986 impact of P.L. 99-177........................ $+38,353,000

The Balanced Budget and Emergency Deficit Act of 1985 (P.L. 99-177), requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Transfers

Title IV program transfer from Department of Education......... $+11,500,000

Starting in FY 1987, the Administration's policy is that all Federal education funding in support of students attending Bureau-funded schools (contract and BIA-operated) will be provided by the Bureau of Indian Affairs. As part of that policy, $11,500,000 has been added to the base of the Bureau. These funds relate to those previously provided by the Department of Education to contract schools for Title IV and related programs.

Transfer of Johnson O'Malley program to Department of Education $-23,044,000

As part of the Administration's policy on funding education programs for Indian students attending public schools, the funding for the Johnson O'Malley Educational Assistance program has been transferred in the base to the Department of Education. That Department will be seeking FY 1987 legislation authorizing the provision of supplementary education assistance as a replacement for the Bureau's Johnson O'Malley program.

Other Internal Transfers

Transfer of Area Office Education programs....................... $ +217,000

Area Office Direct Operations base funding and staffing has been adjusted to transfer Education funding to School Operations, Technical Support, Agencies/Areas. The transfers consist of $43,000 in Scholarships funding and $174,000 in Adult Education funding. These funds are used to provide direct support to the Area Education Program Administrator and not to the Area Director and should have been excluded from the Area Office priority setting process. The Areas affected are:

Area Office	Scholarships	Adult Education
Sacramento	$43,000	$107,600
Aberdeen	---	32,500
Minneapolis	---	30,800
Portland	---	3,100
TOTALS...........	$43,000	$174,000

Other Internal Transfers (Continued)

Transfer of Social Services TWEP administration.................. $ ±403,000

This base transfer from Welfare Grants to Tribe/Agency Operations, All Other Social Services was necessary to fund the program management (administration) portion of Tribal Work Experience Program (TWEP) contracts with tribes at several Aberdeen Area locations. The tribes have been allocated funds for TWEP program management from the Welfare Grants program until this base transfer. All other similar TWEP contract program management funds had been transferred to All Other Social Services several fiscal years ago. These remaining contracts had been overlooked in that process or had been started since that time.

Transfer of Special Law Enforcement to Tribal Priority System... $±7,900,000

In FY 1985, Congress added nearly $9 million to enhance the Law Enforcement program. The majority of these funds were allocated to Tribe/Agency locations. In order to avoid the possibility of proposing duplicate funding in future budget requests, these operating funds have been merged with the existing program base for Law Enforcement at the Tribe/Agency and Area Office levels. A total of $7,841,000 was transferred to Tribe/Agency locations and $59,000 was added to Area Office Direct Operations. Therefore, in FY 1987 the total funding requested at these two levels for Law Enforcement will be based upon local priorities.

Transfer of Employment Development programs....................... $±544,000

Base funding relating to the amount allocated to the program for contract support in FY 1985 ($402,000) for the United Tribes Educational Technical Center program formerly included in Aberdeen Area Field Operations has been transferred to the "non-priority" category. The basic program amount ($1,231,000) was separately identified in the FY 1986 Congressional reports and was no longer in the Aberdeen base program.

The base funding for the Papago Skills Center ($142,000) has been transferred to the Tribe/Agency Operations activity. It will be available to the Papago Tribe to establish specific funding levels for the program starting in the FY 1988 budget cycle.

Transfer of Technical Assistance for Credit programs.............. $±490,000

Funds which have been justified under the Economic Development Grant program for technical assistance have been transferred to the Credit and Financing program and combined with the Technical Assistance funds which have been requested under that program. This combination allows the establishment of a single program justification for all technical assistance for credit programs funded under the Operations of Indian Programs account.

Other Internal Transfers (Continued)

Transfer of Forestry programs to Tribe/Agency Operations, et.al. $±8,100,000

Part of the funds identified as separate line items under the Forestry program are transferred in compliance with Departmental guidance to transfer those funds to the Indian Priority System which are for natural resource programs of a "stable and continuing nature...carried out at the reservation level". Most of the funding has been transferred to the Indian Priority System (Tribe/Agency and Area Office Direct Operations) as a 1987 base transfer using the 1986 funding allocations without seeking new tribal priorities. Specific funding levels for these programs will be established by tribal priorities starting in FY 1988. The Timber Sale Administration (TSA) and Forest Development programs are involved in the transfers as follows ($000):

	TSA		Forest	
	$	FTE	Develop.	Totals
Total program amount (86 Approp)......	5,700	200	8,150	13,850
Transfer to TR/AG locations..........	-4,290	-173	-2,400	-6,690
Transfer to Area Office Direct Ops...	-866	-22	---	-866
Transfer to Central Office Staff.....	-544	-5	---	-544
Net "unbanded" program after transfer.	---	---	5,750	5,750

Transfer of Water Rights Negotiation/Litigation funding........ $±10,353,000

Because of increasing complications in the proper use of Water Resources Development and Litigation Support funding used to contribute to efforts related to water rights settlements, it was decided to establish a new program entitled, "Water Right Negotiation/Litigation." That portion of Water Resources (formerly entitled Water Policy Implementation) which has historically been used to support data collection for water rights cases, totalling $7,472,000, has been transferred from the Natural Resources Development activity to the new program under the Trust Responsibilities activity. That portion of Litigation Support historically used for water rights cases ($3,100,000) has also been transferred, providing a 1987 Base amount of $10,353,000 for the new program.

Transfer of Michigan Settlement base funding...................... $±700,000

Since a settlement has been negotiated in the U.S. v Michigan case, base funding ($700,000) has been transferred from Rights Protection (Hunting & Fishing Rights) to Wildlife & Parks (Special Fish Managment Programs) under Natural Resources Development. The funds have been transferred since the program is now considered providing funds for resource management rather than protecting rights in litigation.

Other Internal Transfers (Continued)

Transfer of Fish Hatchery Operations.......................... $+4,346,000

Fish hatchery operations funds have been transferred partly in compliance with the Departmental guidance on "stable and continuing" operations as well as to consolidate funds for fisheries programs operated by USFWS under Memoranda of Agreement. Funds for the Mescalero (NM) fish hatchery ($194,000) has been transferred to a new program entitled "FWS Technical Assistance". The balance of the funding ($4,170,000) has been transferred to the Indian Priority System (Tribe/Agency Operations) as a 1987 base transfer using the 1986 funding allocations without seeking new tribal priorities. Specific funding levels for these hatcheries will be established by tribal priorities starting in FY 1988.

Transfer of Fish Management programs.......................... $+2,150,000

Other Fish and Wildlife Management program funds have been transferred partly in compliance with the Departmental guidance on "stable and continuing" operations as well as to consolidate funds for fisheries programs operated by USFWS under Memoranda of Agreement. Funds totalling $415,000 have been transferred to a new program entitled "FWS Technical Assistance". Those programs relating to Tribe/Agency level fish and wildlife management operations ($1,735,000) have been transferred to the Indian Priority System as a 1987 base transfer using the 1986 funding allocations without seeking new tribal priorities. Specific funding levels for these programs will be established by tribal priorities starting in FY 1988.

Transfer of Former USFWS hatcheries............................. $+453,000

All funds and FTE (41) relating to programs operated by the USFWS under Memoranda of Agreement have been consolidated under a new program entitled "FWS Technical Assistance."

Transfer of Land Title & Records Offices...................... $+1,069,000

Funds for Land Title & Records Offices have been included in Area Field Operations at five area offices. Since these offices serve more than one area jurisdiction and are involved in a nationally important land title and records improvement effort, it was determined that funding and staffing should be removed from the local area priority setting process. The base transfers are as follows:

Area	$	FTE
Aberdeen...............	$ 287,000	12
Anadarko...............	101,000	4
Albuquerque............	196,000	9
Billings...............	244,000	11
Portland...............	241,000	12
Totals...............	$1,069,000	48

Other Internal Transfers (Continued)

Transfer of Central Office Facilities Management staff.............. $+638,000

All funding and staffing associated with Central Office level management of facilities operation, maintenance and construction programs has been consolidated under the Construction Management program under the Program Management subactivity within General Administration. The amounts involved are as follows:

	$	FTE
Facilities O&M staff.........	$ 334,000	9
FACCOM staff..................	304,000	6
Totals..................	$638,000	15

Transfer of Construction Supervision & Boiler Inspection Funds.... $+490,000

Funds formerly requested under Facilities Management for contracts to obtain construction contract supervision ($392,000) and boiler inspection ($98,000) services have been transferred to Construction Management under the Program Management subactivity within General Administration.

Transfer of ADP Services funds (net amount)......................... $+709,000

In compliance with current budget strategy to request all funds relating to the operating costs of ADP systems under a single ADP Services program, base funding has been transferred to ADP Services as follows:

Program Source of Funds	Systems	Amount
Management & Administration	Pay/Pers (PayPers)	$ 974,000
	Indian Priority System	38,000

Total transfers to ADP Services.. $1,012,000

In addition, FY 1986 funding included in Field ADP programs for Area Offices ($208,000) and for Tribe/Agency Operations ($95,000) have been transferred from ADP Services to Administrative Services as a base adjustment. These amounts were included in the Indian Priority System in FY 1986 but should not have been. This transfer corrects the error made in FY 1986.

Other Internal Transfers (Continued)

Transfer between Area Direct & Area Field Operations (net)........ $±452,000

During the 1987 priority setting process several areas proposed transfers between Area Direct (ADO) and Area Field Operations (AFO) locations. The amounts (netting to $±367,000) by area are listed as follows:

	Aberdeen		Billings		Muskogee		Navajo		Portland		Totals	
	ADO	AFO	ADO	AFO	ADO	AFO	ADO	AFO	ADO	AFO	ADO	AFO
Scholarships.......	--	--	--	--	--	--	--	+164	--	--	--	+164
Agric Exten Svs....	--	-60	--	--	--	--	--	--	--	--	--	-60
Othr Aid Trib Gov..	+40	--	--	--	--	--	-75	--	--	--	-35	--
Social Svs..........	+25	--	--	--	--	--	--	--	--	--	+25	--
Law Enforcement....	-10	--	--	--	--	--	--	--	--	--	-10	--
Tech Asst/Trng.....	+20	--	--	--	+24	-24	+49	--	--	--	+93	-24
Adult Voc Trng.....	--	-42	--	--	+22	-22	--	--	--	--	+22	-64
Othr Empl Asst (DE)	--	+42	--	--	--	--	-95	--	--	--	-95	+42
Agriculture.........	--	--	--	-9	+34	-34	--	--	--	--	+34	-43
Forestry............	--	--	--	-9	--	--	--	--	-409	+409	-409	+400
Minerals/Mining....	--	--	--	-10	--	--	--	--	--	--	--	-10
Trust Svs, General.	--	--	--	--	--	--	--	--	-90	+90	-90	+90
Environ Qual Svs...	--	+11	--	-10	--	--	--	-43	--	--	--	-42
Othr Rights Prot...	--	--	--	-10	--	--	--	--	--	--	--	-10
Real Est Appraisals	--	-11	--	--	--	--	--	--	--	--	--	-11
Othr Real Est Svs..	--	-37	--	-50	--	--	--	--	--	--	--	-87
Fin Trust Svs.......	--	+22	-	--	--	--	--	--	--	--	--	+22
Admin Svs...........	--	--	+98	--	--	--	--	--	--	--	+98	--
TOTALS.............	+75	-75	+98	-98	+80	-80	-121	+121	-499	+499	-367	+367

In addition, FY 1986 base funding for Financial Trust Services programmed under Area Direct Operations at several areas totalling $85,000 has been transferred to Area Field Operations under Tribe/Agency Operations. This area program provides direct services to the reservation level and properly belongs under Area Field Operations.

Other Internal Transfers (Continued)

Transfer TR/AG Operations funding & staffing to new activity.. $+301,424,000

Departmental guidance for 1987 included the establishment of a new separate activity for those programs included in the Indian Priority System at the Tribe/Agency and Area Field Operations levels. Net base transfers of funding and staffing have been accomplished and are summarized as follows:

Category/Program Element	FTE	$000
General Operations	(1,393)	187,356)
Scholarships....................	--	29,367
Adult Education.................	21	3,543
TCCC's Supplement to Grants.....	--	892
Community Services, General.....	3	1,093
Agric. Extention Services.......	--	680
Other Aid to Tribal Gov't.......	106	11,503
Tribal Courts...................	22	9,234
Social Services.................	170	21,311
Law Enforcement.................	493	45,965
Self-Determination Grants.......	--	11,385
Trng./Tech. Assistance..........	39	2,000
Community Fire Protection.......	--	828
Credit and Financing............	66	3,301
Adult Vocational Training.......	69	19,311
Other Empl. Assistance (DE).....	18	4,193
Road Maintenance................	386	22,750
Trust Operations	(1,825)	(92,931)
Natural Resources, General......	6	1,116
Agriculture.....................	441	20,279
Forestry........................	634	23,509
Water Resources.................	6	1,565
Wildlife & Parks................	16	17,796
Minerals and Mining.............	36	1,738
Trust Services, General.........	5	354
Environmental Quality Svs.......	14	582
Other Rights Protection.........	74	4,832
Real Estate Appraisals..........	94	3,893
Other Real Estate Services......	361	13,958
Financial Trust Services........	138	3,363
Management Operations	(494)	(18,147)
Executive Direction.............	174	7,225
Administrative Services.........	310	10,589
Safety Management...............	10	333
New Tribes Funding	--	2,990
TRIBE/AGENCY OPERATIONS--TOTAL	3,712	301,424

Other Decreases:

GSA Rentals.. $-440,000

The GSA conducted a Fair Annual Rental (FAR) appraisal for 1987 which resulted in decreases under the 1986 rates. The FAR estimate of $9,800,000 for 1987 rent payments to GSA was subtracted from the 1986 estimate of $10,240,000 for a decrease of $440,000.

Employees' Compensation Fund.. $-12,000

The decrease in the repayment to the Federal Employees' Compensation Act Fund is the result of lower costs in the 1984-85 expense period. These charges will be reimbursed to the Department of Labor, Federal Employees' Compensation Act Fund, with 1987 funds pursuant to Public Law 94-273. The amount indicated ($5,551,000) is the final amount which will be provided to the Department of Labor upon appropriation in FY 1987.

Activity Summary

(dollars in thousands)

Activity: Education

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
School Operations	177,265	189,378	181,235	189,595	185,596	(3,999)
Johnson O'Malley	25,674	23,044	22,053	0	0	0
Continuing Education	53,256	56,438	54,011	22,583	20,212	(2,371)
Education Contract Support	13,496	0	0	0	0	0
Rescission (Sec. 2901)	(47)	0	0	0	0	0
Base Transfer from Dept. of Education	0	0	0	11,500	11,500	0
Total	269,644	268,860	257,299	223,678	217,308	(6,370)

Justification of Program and Performance

Activity: Education
Subactivity: School Operations

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Indian School Equal. Program:						
1. Indian School Equal. Formula	$	155,456	--	155,456	152,657	-2,799
	(FTE)	(4,217)	(--)	(4,217)	(4,006)	(-211)
2. Indian School Prog. Adjustments	$	1,466	--	1,466	1,466	--
B. Education Standards (Implementation)	$	1,500	--	1,500	300	-1,200
C. Institutionalized Handicapped	$	2,328	--	2,328	2,328	--
D. School Boards						
1. Expenses	$	723	--	723	723	--
2. Training Fund	$	512	--	512	512	--
E. Student Transportation	$	11,639	--	11,639	11,639	--
	(FTE)	(175)	(--)	(175)	(175)	(--)
F. Technical Support-						
1. Agency and Area Offices	$	7,892	--	8,109	8,109	--
2. Education MIS	$	674	--	674	674	--
	(FTE)	(178)	(--)	(178)	(178)	(--)
G. School Operations Contract Support	$	7,188	(--)	7,188	7,188	--
Total Requirements	$	189,378	181,235	189,595	185,596	-3,999
	(FTE)	(4,570)	(4,570)	(4,570)	(4,359)	(-211)
Distribution:						
Education and Training, General (Area/Agency Technical Support)	$	8,566	---	8,783	8,783	--
	(FTE)	(178)	(--)	(178)	(178)	
School Operations	$	179,577	---	179,577	175,578	-3,999
	(FTE)	(4,392)	(--)	(4,392)	(4,181)	(-211)
School Boards	$	1,235	---	1,235	1,235	--

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
School Operations	$189,378	$-8,143	$181,235

The majority of funds in the school operations subactivity are distributed to schools on a formula basis. Therefore, the impact of the P.L. 99-177 reduction will be felt by all 180 Bureau-funded schools. Each school administrator, in consultation with the school board, will have to make program adjustments to accommodate this reduction. Some potential areas of impact include: (1) elimination of summer school programs funded by ISEP, (2) curtailment of extracurricular activities for students, (3) deferral of staff development and training, (4) delay of special initiative programs such as computer assisted instruction and vocational programs, and (5) delayed replacement of school equipment such as laboratory equipment.

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services, including education, to Federally-recognized Indian tribes. 25 U.S.C. 2001-2019, the Education Amendments of 1978 (P.L. 95-561 as amended in 1979, 1984, and 1985), provided new authorities to the Office of Indian Education Programs (OIEP), including establishment of a new personnel system, line authority to the field, direct formula funding of schools, and specific decision-making authority to Indian school boards.

Objective: The objectives of the school operations program are: (1) to provide high quality basic educational and residential programs to Indian students not served by public or sectarian schools; (2) to provide residential care for a limited number of Indian students attending public schools; (3) to meet the special needs of Indian students and address those problems intensified among Indian children because of the uniqueness of their situation, such as bilingual nneds, counseling, and guidance; and (4) to provide operational funding to amended Title 25 of the U.S. Code to redefine "eligible students" for Indian education programs. Though the Bureau has collected some preliminary data, the full impact will not be known until school opens in the Fall of 1986.

A. Indian School Equalization Program

Base Program ($156,922,000; FTE 4,217): While 82% of Indian students are served by state-operated public schools, there continues to be a need for a direct Federal role in Indian Education. The remaining approximately 18% of all Indian children in school are provided an education in schools run by the Bureau or by tribes under contract with the Bureau of Indian Affairs pursuant to P.L. 93-638. Approximately 34% of the estimated average daily membership (ADM) in Bureau-funded schools in FY 1986 are in residential schools either because the students live farther than a 1-1/2 mile walk from public or federal day schools' bus routes or because of special social or academic factors such as poverty, family difficulties, or problems encountered in other school systems.

The Bureau also administers programs funded by the Department of Education such as Chapter I of P.L. 97-35 and P.L. 94-142. Chapter I provides financial assistance to schools for programs designed to raise the academic level of Indian children in the areas of math, reading, and language. P.L. 94-142 provides supplemental funding for special education and related services to handicapped children.

In an effort to meet the basic and special educational needs of Indian students, Bureau and contract schools incorporate the following activities into their educational programs:

- KINDERGARTEN AND ELEMENTARY EDUCATION (K-8) - Basic education programs for children utilizing specialized staff in small groups, including school health, nutrition, counseling, and the relevance of education to the child's culture.

- SECONDARY EDUCATION (9-12) - Basic educational curricula at grades 9-12 and special curricula including vocational courses and extra-curricular activities. Also included are specialized courses to prepare students for meaningful, productive careers or to continue in institutions of higher learning.

- BILINGUAL EDUCATION - Special programs to help children of limited English proficiency in improving their ability to read, write, speak and understand English.

- EXCEPTIONAL CHILD PROGRAMS - Educational programs to meet the unique needs of handicapped Indian children in existing, approved programs at no cost to the parents. This includes classroom instruction, instruction in physical education, home instruction, and instruction in hospitals and institutions. The need for special education and related service programs for handicapped Indian children is being met in Bureau-operated and contracted elementary and secondary schools.

- RESIDENTIAL PROGRAMS - These programs provide for the housing and care of students, including room and board, recreation, libraries, tutoring and other programs unique to residential situations. Supplementary services are provided to handicapped children in residential care programs as identified in Individulaized Education Plans (IEPs). The IEPs outline the special education and related services requirements to meet the unique needs of individual handicapped students. In most cases, the services include, but are not limited to, physical therapy, psychological counseling, and specific instructional activities. Most students who are in the residential setting as a result of social placements participate in the Intensive Residential Guidance Program.

- SUMMER PROGRAMS - At the option of school boards, available funds may be expended to support summer programs, particularly for remedial instruction.

The Bureau, in carrying out its educational responsibilities in FY 1987, will operate, either directly or by contract, 164 elementary and secondary schools and 13 dormitories. These federally operated and contracted schools will serve an estimated student ADM of 40,210 in 23 states in FY 1987. This figure includes 38,360 ADMs under the basic instructional programs and 1,850 ADMs under the basic residential programs including students receiving residential care while attending public schools. The types of educational facilities include:

- Day Schools provide basic elementary and secondary education programs to children who reside at home.

- On-Reservation Boarding Schools are located within the boundaries of an Indian reservation and provide residential care in addition to the education program.

- Off-Reservation Boarding Schools (ORBS) are located outside the boundaries of an Indian reservation and provide residential care in addition to the education program.

- Dormitories provide residential care for students attending public schools.

- Contract Schools are funded by the Bureau and operated by the tribes under contract with the Bureau of Indian Affairs pursuant to P.L. 93-638.

The following table displays Bureau schools by grade level and type for both FY 1986 and FY 1987:

	FY 1986			FY 1987		
	BIA	Contract	Total	BIA	Contract	Total
DAY SCHOOLS	55	50	105	57	50	107
Elementary	50	28		51	28	
Elementary/Secondary	5	13		5	13	
Secondary	--	9		1	9	
DORMITORIES	10	4	14	9	4	13
Elementary	--	--		1	--	
Elementary/Secondary	5	3		3	3	
Secondary	5	1		5	1	
ORBS	6	1	7	6	1	7
Elementary	1	--		1	--	
Elementary/Secondary	1	--		1	--	
Secondary	4	1		4	1	
ON RESERVATION BOARDING SCHOOLS	45	9	54	40	10	50
Elementary	40	2		35	2	
Elementary/Secondary	3	3		3	4	
Secondary	2	4		2	4	
TOTAL	116	64	180	112	65	177
Elementary	91	30	121	88	30	118
Elementary/Secondary	14	19	33	12	20	32
Secondary	11	15	26	12	15	27

Attendance boundaries, while undergoing some minor modifications, have been implemented for all Bureau-funded schools. Other initiatives in process to enhance the quality of education for students in Bureau schools are to:

(1) require all professional Education personnel, including teachers, counselors, administrators, and librarians, to achieve state certification; (2) continue implementation of plans to achieve accreditation for all schools (62 percent of all Bureau-funded schools, including contract, are presently accredited); (3) further streamline the allocation of funds in order to provide schools with final allotments as early in the fiscal year as possible; (4) complete an update of the inventory of condition and needs related to school facilities; (5) review curriculum content in Bureau schools; and (6) implement a national testing policy.

Efforts continued in FY 1985 toward the goal of achieving 100% school accreditation by the end of the 1986-87 school year. During FY 1985, 103 schools maintained their accreditation status and 1 school lost its accreditation status. Of the non-accredited schools, 5 received candidacy status for accreditation and 51 took action toward accreditation such as obtaining school board approval, selecting school planning committees, or initiating/completing self-studies. Five contract schools have not yet reported actions taken toward accreditation. Four schools which are presently accredited by State certification methods have also elected to pursue certification in accordance with the appropriate regional accrediting association.

The Bureau again contracted with CTB/McGraw-Hill in FY 1986 to evaluate test scores of all Bureau-funded school students. The Bureau required all Bureau-funded schools to give either of two tests to students for school year 1985-86. Therefore, the new analysis by McGraw-Hill will be more complete and comprehensive than the report for school year 1984-85.

Many schools have initiated new, unique, or innovative programs or activities during the last two years. A partial list follows:

Tuba City Boarding School: A special counseling program which was designed to focus on students who become AWOL resulted in a sixty percent decrease in such students.

White Shield School: The science teacher from the White Shield School planned and coordinated the first annual North Dakota State Indian Science Fair in Minot, ND. The goal of the fair was to increase the interest and motivation of Indian elementary and secondary students in all fields of science and with the expectation that it might encourage more Indian students to enter science-related courses. Eight of the eighteen White Shield students who entered the fair were declared winners.

Recognizing that class attendance and participation are important aspects of the educational development of its students, the School Board established a tough attendance policy which resulted in a significant increase in attendance, particularly in grades 9-12.

Cherokee School: The school initiated a Junior Reserve Officers Training Corps (JROTC) program which is a joint financial effort between BIA and the tribal council.

Standing Pine: Parental involvement, staff determination, and state-of-the-art technology have generated dramatic changes in fluency levels for students in K-3 bilingual programs at Standing Pine.

Red Water: "Student Team Learning", a new concept in learning basic skills in language using materials developed by the John Hopkins University, has resulted in major gains in test scores for students in grades 4-8.

Eastern Navajo Agency: Schools in the Eastern Navajo Agency continued to show yearly improvement in test scores. Scores on the California Test of Basic Skills achievement test increased 1.7 years on the aggregate for the 1984/1985 school year compared with the previous year.

Wingate High School: The school administration has developed competency requirements in math, language, reading and writing as requisites for graduation. Of 162 non-special education graduates in 1985, 83 percent of the graduates passed all 4 of the competencies. Wingate High School students are participating in vocational education courses offered by McKinley County Area Vocational School.

Wingate Elementary School: The "Whole Language" curriculum approach, initiated in all grades last school year, is responsible for:

1. Students being required to "publish" three writings during the year. From these "publications," eleven from grades 6-8 were entered in the Young Author's Conference sponsored by the Gallup-McKinley County Schools. Nine writings were judged to be of such excellent quality that they were selected for publication in a volume of students' writings from the conference.

2. All grades participating in the Eastern Navajo Agency Speech Fair. Out of the eight grade level trophies awarded, Wingate Elementary students captured four.

3. Students being involved in two major musical productions during the year: "Three Wee Kings", presented at Christmas, and "Tall Tales and Heroes", presented in the spring. Over 100 students participated in each play, which included costumes, lighting, stage sets, and background music. The Christmas musical was performed three times to a combined audience of over 1,500.

4. Students accomplishing on May 21, 1985 the goal of reading a million minutes. The final total was 1,051,235 minutes. It should be noted that this goal was accomplished 100% on non-classroom time during study hours in the dormitories.

5. Achievement test scores in the CTBS improving overall. Four grades (first, third, fourth, & fifth) scored on or above the national norms -- a "first" for Wingate Elementary School.

Dlo'Ay Azhi Community School: As part of a language development program, the student council televised the annual Christmas program. Students were successful in organizing their own TV station, including commercials, newscast, and the program itself.

Huerfano Dormitory: Following a program established last year, staff and students at the Dormitory again participated in a "walk for trash" activity to raise funds for various student needs. San Juan County pays $40 per mile to clean the highways and roadways of trash and debris.

Dzilth-Na-O-Dith-Hle School: Initiation of an in-school suspension program, rather than the traditional practice of sending children home who violate school rules, has resulted in a 50 percent reduction of "incidents" at the school.

Chi Chil Tah/Jones Ranch Boarding School: Staff at the consolidated Chi Chil Tah/Jones Ranch Boarding School have developed a special emphasis environmental education program which includes nature study, outdoor skills, and environmental ethics.

To' Hajiilee-He School: Hoping to encourage students who dropped out of school to re-enroll, school staff sponsored a "drop-in" program which offered the drop-outs an opportunity to either return to high school or to enroll at the Albuquerque Technical Vocational Institute to learn a trade. Eighteen students responded to the invitation, with 4 graduating or continuing a program.

Ojo Encino School: Through the "whole language" approach to instruction, students have been "turned on" to reading. Such techniques as (1) journal writing each day, (2) sustained silent reading, and (3) reading conferences have had a positive impact on students' comprehension levels.

Lake Valley Navajo School: A unique "Go for the Gold" program resulted in 30 students being recognized for reaching a goal of being the "best that you can be." Students who achieved the first honors roll three times during the year are rewarded with special trips paid for through fund raising efforts of parents and staff.

Chuska-Tohatchi Consolidated Boarding School: As with other schools using the "whole language" approach, classes of students at Chuska-Tohatchi scored at or above the national norms in the areas of mathematics comprehension, language mechanics, and spelling. Chuska-Tohatchi School continues to be a leader amongst BIA schools in the computer assisted instruction programs. Computers have been installed in every classroom and are being used for (1) tutorial programs which assist students in mastering specific skills; (2) basic arithmetic facts drilling by means of games and speed tests; and (3) word processing to teach students to write, edit, and publish stories, books, poems, and plays.

Consultants from Arizona State University were so impressed with the school's "whole language" program that they have produced a professional quality video tape illustrating how the concept works.

Several students from the Chuska-Tohatchi School received prizes in the Gallup Public Library contest "One of my Favorite Books." In addition, a sixth grade student had a story published in the January/February issue of Stone Soup, a national magazine by children.

Dilcon School: The "whole language" approach at the Dilcon School is credited with students achieving, for the first time in the past five years, test scores at or above national norms.

Wide Ruins Boarding School: The "whole language" approach beginning with kindergarten students has, according to Wide Ruins staff, "sparked a flame" of enthusiasm for reading. In the fourth grade, the U.S.S.R. (uninterrupted sustained silent reading) program so motivated student interest in reading, that the library schedule had to be revised to permit more library time to check out books to keep up with student demands for more reading material. Test scores increased significantly in spelling, language mechanics, and math computation.

Hopi Reservation Schools: For school year 1984/1985, the first, second, third, fourth and seventh grades at the five Hopi schools achieved higher scores than at any time over the past 6 years. The five schools were near the national average in reading and at or above the national levels in language and math.

Kickapoo Nation School: Four Kickapoo Nation School students are participating in the Upward Bound Program sponsored by Emporia State University. The school received a trophy for the first semester because their participants achieved the highest grade point average of the 11 participating schools. One eleventh grade student is enrolled at the University extension continuing education program where she is maintaining an "A" average in algebra.

Zia Day School: In the 1984/1985 school year two students from the Zia Day School received Presidential Academic fitness awards in their first year of competition. A Zia student took second place in the Sandoval County Spelling Bee contest. School staff credit their continued high scores on the California Test of Basic Skills, in part, to a very low absenteeism rate of only three per cent.

Jemez Day School: State accreditation of the Jemez Day School resulted from the initiative by school staff and numerous special programs to develop the "whole child". Such programs as "comprehensive language programs", "performing arts programs", an "elective program", and a "parent involvement program" have generated considerable community support as well as interest from other schools throughout the BIA system. Jemez also held its first science fair during the past school year.

Lac Courte Oreilles Ojibwa School: Students at the Lac Courte Oreilles School are using microcomputers and a program developed with Control Data Corporation to study and revitalize the Ojibwa heritage and culture. Computer graphics, illustrating activities in the life of an Ojibwa, are accompanied by the Ojibwa words explaining the action and the English equivalant.

Fond du Luc Ojibway School: A pilot mathematics program, using ancient weights and measures, has been developed to make the subject of mathematics more relevant to the experience of the Indian student in his/her distinctive cultural setting.

The following table reflects the FY 1986 allotment of ISEP funds for the Bureau's school system.

SUMMARY OF FISCAL YEAR 1986 BUREAU SCHOOL SYSTEM FUNDING

TYPE OF SCHOOL	Total ADM	Instructional WSU	Residential WSU	Total Formula Funds
Day Schools				$48,626,900
Bureau Operated (55)	10,214	12,876	--	
Contracted (50)	6,828	8,965	--	
On-Reservation Boarding Schools				81,975,900
Bureau Operated (45)	15,648	19,375	11,326	
Contracted (9)	2,753	3,624	2,495	
Off-Reservation Boarding School				18,801,900
Bureau Operated (6)	2,852	1,751	4,214	
Contracted (1)	169	231	249	
Dormitories				6,051,300
Bureau Operated (10)	1,285	34	1,822	
Contracted (4)	478	56	806	
Grand Total (180)	40,227	46,912	20,912	$155,456,000
Total includes WSUs calculated for small school adjustment		(515)	(225)	

The major portion of Bureau school operating funds for instruction, boarding, and dormitory costs is distributed directly to Bureau-operated and contract schools by a formula using a weighted student funding approach called the Indian School Equalization Formula (ISEF). Monies used to fund other educational support and administrative school services are provided apart from the ISEF. An explanation of the FY 1987 ISEF, with estimates by program level, follows:

Summary of Weighted Student Units by Program

	Actual FY 1986 ADM	Actual FY 1986 WSU's	Estimated FY 1987 ADM	Estimated FY 1987 WSU's
I. Instructional Programs				
A. Basic	[illegible] [a]	[illegible]	[illegible] [a]	[illegible]
B. Exceptional Child	[illegible]	[illegible]	[illegible]	[illegible]
C. Bilingual	[illegible]	[illegible]	[illegible]	[illegible]
Total Instructional WSU's		[illegible]		[illegible]
II. Residential Programs				
A. Boarding Schools				
1. Basic	[illegible]	[illegible]	[illegible]	[illegible]
2. Exceptional Child Residential	[illegible]	[illegible]	[illegible]	[illegible]
3. Intensive Residential Guidance	[illegible]	[illegible]	[illegible]	[illegible]
B. Dormitories				
1. Basic	[illegible] [a]	[illegible]	[illegible] [a]	[illegible]
2. Intensive Residential Guidance	[illegible]	[illegible]	[illegible]	[illegible]
3. Exceptional Child Residential	[illegible]	[illegible]	[illegible]	[illegible]
Total Residential WSU's		[illegible]		[illegible]
Total ISEF Program WSU's		[illegible]		[illegible]
Small School Adjustment		[illegible]		[illegible]
GRAND TOTAL		[illegible]		[illegible]

[a] The "basic" student ADM numbers for Instructional and Dormitories are added together to obtain the total unduplicated, unweighted ADM for each year ([illegible] for FY 1986 and [illegible] for FY 1987).

Calculating the Base Student Value - Under the Indian School Equalization Formula, different educational activities conducted by Bureau-operated and contract schools, such as elementary and secondary education, bilingual education, residential programs, and programs for different types of handicapped students, are assigned weights (using a base amount of 1.00) which reflect the relative costs associated with the various activities. The relative weight factors are determined on the basis of the best practice and experience of state school systems which have developed equalization funding formulae. The number of students a school has participating in the various educational activities is identified, totalled by activity, and multiplied by the weight factor for each activity to arrive at the number of weighted student units (WSU) at each school. The dollar value of a WSU is determined by the division of the total number of all schools' WSUs into the total available funding. The WSU dollar value is multiplied by the number of each school's WSUs to arrive at each school's amount of funding.

The total WSU figure includes all of the WSU's generated directly by instructional and residential programs, and the Small School Adjustment. The Small School Adjustment is provided for schools with less than 100 students, since it costs more per capita to operate very small schools and dormitories.

School adjustments scheduled for school years 1985-86 and 1986-87 and which may impact FY 1987 funding and/or ADM and WSU levels are: (1) the closure of the Magdalena Dormitory on the assumption that the Alamo School construction will be completed. However, minimal Education savings are anticipated for closing Magdalena Dormitory, because there are several options which students from Magdalena may consider: (a) leave Magdalena and attend the Alamo day school, (b) relocate to another Bureau peripheral dormitory and attend the local public school, or (c) relocate to another Bureau boarding school. The budgetary impact cannot be determined until student placement plans have been developed; (2) Consolidation of the Snowflake Dormitory with the Holbrook Dormitory is completed. No ISEP savings; (3) Conversion of the Pinon Boarding School to a peripheral dormitory. The level of savings in funds and WSU's will depend on whether students transfer to the public school or to another Bureau boarding school; (4) Consolidation of the Toyei Boarding School with the Greasewood Boarding School - minimal ISEP and no WSU savings; and (5) Opening of the Hopi High School. Some savings in funds and WSUs will result from off-reservation boarding students transferring to the new school.

The following table provides a funding history of the Indian School Equalization Formula from FY 1982 - FY 1987 (estimate).

	# of schools	ADM	WSU	$ per WSU
FY 1982	227	42,930	76,234	$ 1,965.09
FY 1983	210	42,535	75,666	$ 2,013.87
FY 1984	206	42,925	75,437	$ 2,026.89
FY 1985	193	41,991	74,356	$ 2,063.92
FY 1986 (enacted)	180	40,227	69,824	$ 2,226 (est.)
FY 1987 (estimated)	177	40,210	68,545	$ 2,227 (est.)

Decrease from FY 1987 Base:

(dollar amounts in thousands)

Program Element		FY 1987 Base	FY 1987 Estimate	Difference
Indian School Equalization Formula	$	155,456	152,657	- 2,799
	(FTE)	(4,217)	(4,006)	(-211)

The basic instructional programs are not affected by this decrease. Savings are the result of: (1) the phase down of residential programs related to the opening of the day program at Hopi High School; (2) redefining and tightening the criteria for participation in the Bureau's bilingual program and more closely monitoring the use of bilingual funds to assure appropriate use and to avoid duplication of Title VII programs; (3) streamlining the Intensive Residential Guidance program by tightening the criteria as well as developing more effective programs; and (4) the conversion of Pinon Boarding School to a peripheral dormitory. The Bureau estimates that about half of the students will transfer to public schools rather than to another Bureau boarding school.

Indian School Program Adjustments

The FY 1987 estimate for ISEP includes $1,466,000 for Indian school program adjustments. In addition to start-up costs for the new Papago High School and Chi-Chil-tah for school year 1986-87, this line item includes $500,000 for declining enrollment adjustments; $486,000 for closure costs related to program adjustments at Magdalena, Pinon Dormitory, Toyei Boarding School, and for phase down of residential programs related to the opening of Hopi and Papago High Schools; $80,000 for law enforcement at Chemawa; $150,000 for continuation of a pilot gifted and talented program; and $150,000 to continue the program to repair and restore furniture in Bureau schools. Any savings throughout the year in the items listed will be added to the amount available for ISEF and distributed to the schools by formula.

INDIAN SCHOOL PROGRAM ADJUSTMENTS

Activity	Amount
Start up costs for new or expanded programs	$ 100,000
School closure costs	486,000
Declining enrolIment	500,000
Gifted and Talented Program	150,000
Furniture upgrade	150,000
Law Enforcement - Chemawa	80,000
Total	$ 1,466,000

Law Enforcement activities are unique at Chemawa because the school is located on Federal land over which local, county, and state officials have no jurisdiction. Bureau law enforcement authority extends only to tribal lands. Though GSA normally provides protection for Federal properties, it has no legal responsibility to provide security for Bureau schools and has declined to provide the required protective services at Chemawa. There is no adjustment factor within ISEP for such a unique situation. The school, in addition to its normal security staff, employs one criminal investigator and two law enforcement officers at an annual cost of $80,000.

In FY 1986, eighteen schools requested the declining enrollment adjustment because their enrollment was down more than 10% from FY 1985 (25 CFR § 39.36).

The cost of restoring furniture for Bureau school and dormitory operations is about one-half the cost of acquiring new furniture. To take advantage of this cost savings, a warehouse in the Albuquerque area is being used to establish a stock of restored furniture. This restored furniture will be sent to Bureau-funded schools, including contract schools, whenever their furniture is in the process of being restored. Their restored furniture will then be used to replenish the stock at our warehouse. The wooden furniture will be restored at La Tuna Federal Prison in El Paso, Texas. The metal furniture will be restored in Albuquerque since the La Tuna facility is not set up to handle restoration of metal furniture. An additional effort will be necessary to identify all present surplus furniture. The furniture identified as surplus will become a part of the warehouse operation. The initial stocking of the warehouse is being accomplished using surplus furniture acquired from school closures. Schools in the Western Navajo Agency have been selected as the first group of schools to benefit from this program.

Bureau efforts for gifted and talented Indian children have been very fragmented and lag far behind state policies regarding the education of such children. Thirty-nine states currently have legislation that makes mention of or defines gifted and talented children. Forty-four states have regulations or guidelines regarding the screening and identification of these children. It is estimated that as much as 2 percent (800-1000) of the total Bureau school population may be considered gifted.

In FY 1986, the Bureau funded gifted and talented programs at: (1) Southern Pueblos Agency, (2) Chemawa Off-Reservation Boarding school, (3) Navajo Mission Academy, and (4) Ojibwa Indian School. The results of these four pilot projects will provide the Bureau with data to: (1) develop a strategy for identifying gifted and talented Indian students in all Bureau schools; (2) establish in-service training workshops for teachers on methods of identifying the gifted, ways to develop programs for them, awareness of their needs, and instructional techniques; (3) identify the best program for Bureau school students, i.e., place children identified as gifted and talented in public, Bureau, or private schools with established programs; and (4) identify demonstration projects, i.e., gifted students would be assigned to teachers in subject areas for independent studies projects. As the students complete the independent study, they would be placed into an internship program within the community. For example, students might be placed with a lawyer, veterinarian, IHS physician, community theatre, etc.

The $150,000 in FY 1987 will continue to fund the 4 pilot projects begun in FY 1986. The Bureau was not able to distribute the FY 1986 funding until February, so it is too early to have any data or analysis on the pilot projects.
For the four projects, the gifted and talented students will be in the following kinds of programs: (1) enrichment and supplemental programs offered during the student's regular school day with advanced instructional materials provided directly to the student; (2) resource rooms specifically for gifted and talented students, staffed by a certified teacher to work with the students; (3) part-time classes; or (4) enrollment in advanced classes for these students instead of having gifted and talented students in regular classes.

B. Education Standards (Implementation)

Base Program ($1,500,000; FTE -0-): Title XI of the Education Amendments of 1978 (Public Law 95-561 enacted November 1, 1978) requires the development of standards for the basic education of Indian children and criteria for dormitory situations in the Bureau of Indian Affairs' schools. The academic standards, which were published in the Federal Register on September 9, 1985, represent a minimum requirement and meet or exceed all minimum standards for the states in which the schools are located. The standards will apply to all schools operated by the Bureau of Indian Affairs. Under the Indian Education Technical Amendments Act of 1985, Public Law 99-89, contract schools have two years to either be in complience with the standards or have obtained or be a candidate for accreditation. The law provides four ways in which contract schools may comply with the congressional academic standard requirement:

(a) they may voluntarily adopt the Bureau's academic standards;

(b) they may already have in effect locally-developed standards which the OIEP has accepted;

(c) they may propose alternatives to the Bureau's standards for incorporation into the contract (any BIA rejection of the proposed alternative standards cannot be used to refuse to contract until at least one year after notifying the school of failure to comply, during which the Secretary must provide technical assistance); or

(d) they may acquire or become a candidate for accreditation by a recognized accrediting agency.

The national criteria for dormitory situations, however, apply to all Bureau-funded schools having dormitory situations, including contract schools.

The dormitory criteria establish requirements for all elementary and secondary boarding students and include such items as:

- dormitory space requirements for students;
- dormitory activities and counseling programs;
- staff/student ratios; and
- homeliving and/or dormitory operation requirements.

Decrease From FY 1987 Base:

(dollar amounts in thousands)

Program Element		FY 1987 Base	FY 1987 Estimate	Difference
Education Standards	$	1,500	300	-1,200

The Bureau intends to implement the academic standards in Bureau-operated schools in FY 1986. The decrease of $1,200,000 represents non-recurring costs of implementation such as staffing adjustments and purchase of library books, periodicals, and media equipment. The $300,000 request for FY 1987 represents an ongoing requirement for current professional staff training to achieve state certification.

C. Institutionalized Handicapped Program

Base Program ($2,328,000; FTE -0-): The Office of Indian Education Programs (OIEP) is mandated by The Education for All Handicapped Children Act, P.L. 94-142, to provide financial support for the educational costs of handicapped Indian children who are placed in institutions. All educational placements of handicapped Indian students are made and funded jointly by the Bureau's Division of Social Services and the OIEP. In no instance are placements made without the approval of Bureau special education staff at Agency Offices and only after all possible alternative placements are examined in accordance with the least restrictive environment. Referral, identification, evaluation, and placement services are in accordance with P.L. 94-142, the Indian School Equalization Program, and appropriate sections of the Education Department's General Administration Regulations (EDGAR).

The institutionalized handicapped program serves the special education and related service needs of handicapped Indian children in state-operated institutions, approved private non-profit facilities, and facilities operated by Navajo tribal organizations. The program typically provides education and related services to severely handicapped and severely multihandicapped children between the ages of 5-21 years. Some of the direct services include: instruction by special education teachers and aides; services by physical and occupational therapists; adapted physical education; medical related services; psychological services; special vocational services and speech therapy. Some of the indirect services affecting costs include: assessment of handicapping conditions and service needs; admissions and appropriate placement; individual education program development; inservice training for professionals and aides; supplies and materials; transportation; food services; facility operation; and program administration.

The total costs for special education and related services vary greatly and depend upon a number of factors: (a) high cost educational/custodial placements; (b) different handicapping conditions; (c) length of placement; (d) fixed cost rates vs. variable cost rates; (e) placements requiring extensive medical, social, and education/training intervention; and (f) when appropriate, living care costs associated with the severity of the handicapping condition. Costs for handicapped Indian children placed in state approved facilities are set by state Departments of Mental Retardation or their equivalents. The costs are based on a fixed daily rate which may be adjusted by contract auditing for actual cost determination. The Bureau Contracting Officers write contracts for services based on this fixed price.

On average, approximately 200 children are served in as many as 25 different facilities. Based on four years of actual placement data, it is estimated that about 15 new placements will be made during school year 1986/1987.

Program management costs estimated at $200,000 are included in the total request of $2,328,000 to provide for the program direction, supervision, and operation of all mandated institutional program activities. These program activities include monitoring and evaluating program services; providing technical assistance and advice to subordinate units; preparing budgets and financial programs; and writing quarterly reports.

D. School Boards

Base Program ($1,235,000; FTE -0-): Public Law 95-561, the Education Amendments of 1978, authorized and mandated the facilitation of Indian control of Indian affairs in all matters relating to education. To accomplish this goal, Indian school boards of Bureau schools are actively involved in local education planning and decision making. The $723,000 budgeted for school board expenses provides for: (1) travel, per diem, stipends, and other costs for both regularly scheduled and special meetings; (2) fees for membership in school board associations; and (3) legal fees.

Membership on the school boards is continually changing. A cadre of trained community members now exists and can assist in the training of others as the need for additional training continues. The implementation of the academic and dormitory standards will require school board involvement.

In accordance with Congressional directives, school board training funds in the amount of $512,000 will be used for centralized training and not distributed equally among the schools, as had been the practice in prior years. The major training thrust in FY 1986 and again in FY 1987 will be on: (1) academic and dormitory standards; (2) students' rights; (3) responsibilities of board membership (4) school personnel procedures; and (5) new Bureau regulations.

During the last several years national, regional and local workshops have been conducted by the National School Board Association; Policy Resources Center, Management Concepts, Inc.; the former BIA Office of Technical Assistance and Training; the Navajo Area School Board Association; Diversified Management Services, Inc.; National Indian Training and Research Center; Association of Contract Tribal Schools; state school board associations; local universities and community colleges; and other groups and individual consultants. Tuition or registration fees were charged for the larger workshops or seminars to defray expenses related to the presentation. Policy making, educational standards, school administration and operations, education financial management and accountability, planning, internal practices and procedures, and related areas of review and oversight are areas in which school board members have received training.

In FY 1986, the Bureau distributed school board expense funds on a weighted formula basis, and the amount alloted to each school board was a ceiling on its expenditures for meetings, including Agency school board meetings, association dues, and legal fees. The FY 1987 estimated amount of $723,000 will be distributed by the same formula as described below:

> Local school boards receive a weight for instructional programs based on their ADM:
>
> 1-250 ADM = 1.0
> 251-500 ADM = 1.2
> 501-750 ADM = 1.4
> 751 and over = 1.6
>
> and an additional weight of 1.0 if they have a residential program. Weights are also given for the transportation of board members from their residence to the site of the board meeting based on the following ranges of cumulative ground miles:
>
> 0-1000 miles = 0.5
> 1001-2000 miles = 1.0
> 2001-3000 miles = 1.5
> 3000 + miles = 2.0
>
> In cases where board members must travel by air to get to meetings, the actual cost is funded. The factors and weights assure that all local school boards receive a minimum of 1.5 weight units and a maximum of 4.6 weight units.

Funding for agency school boards varies depending on whether they function in lieu of or in addition to the individual school boards.

E. Student Transportation

Base Program ($11,639,000; FTE 175): Responding to concerns raised by school boards around the country, in FY 1985 the Bureau reviewed the total budget for transporting school children. While funding for the Student Transportation program had included personal services costs for vehicle operators, GSA vehicle rental, vehicle supplies and equipment, vehicle maintenance/repair, and other transportation support costs, it did not recognize all the variables that affect transportation expenditures.

Accordingly, in FY 1986, the Bureau distributed transportation funds on a revised basis. A single rate per mile of $1.32 was used for all ground transportation miles.

Funds were allocated to day schools which provide transportation between the students' residences (or other traditional pickup points on the reservation) and the school site based on the average number of bus miles on one day x 180 days of school x the established rate per mile ($1.32 in FY 1986).

Transportation funds were allocated to boarding schools to provide for students' arrival at school in the fall, round trip home mid year, and their return home at the end of school. If chartered bus, airlines, or other commercial transportation modes were used to transport students, the Bureau reimbursed the actual cost x 4 trips.

Because of road conditions, miles driven on unimproved roads on the Navajo reservation were weighted by a factor of 1.2 before multiplying by $1.32 (the standard rate per mile).

F. Technical Support - Area and Agency Offices

Base Program ($8,783,000; FTE 178): The program total for all technical support is $8,783,000. This amount represents only 3% of all OIEP funds including central office education program management funds. It includes costs for educational Management Information Systems (MIS) activities; providing field level staff assistance to the Director, Office of Indian Education Programs (OIEP); and broad technical assistance and leadership for all education programs to local school boards, other tribal members, parents, and other Indian citizens.

In accordance with 25 CFR 39.128, technical support funds to Area and Agency Education Offices are distributed through an administrative cost formula which distributes administrative funds to Area and Agency Education Offices based upon the number and type of education programs administered as well as the sizes, types, and number of schools and tribes served. A field education office typically provides technical support and program supervision for several of the following education programs: (1) Post-Secondary Education Programs; (2) Peripheral Dormitories; (3) Off-Reservation Boarding Schools; (4) Tribal Contract Schools; (5) Federal Title Programs; (6) Elementary and Secondary Programs; (7) Higher Education and Adult Education Programs; (8) Exceptional Education Programs; (9) Student Support Services; and (10) Bilingual Programs. Program management and direction responsibilities of field operations include providing line direction to and supervision over the operation of all Bureau education programs within their jurisdiction; implementing policies and procedures applicable to the jurisdiction; directing, supervising and facilitating program execution; monitoring and evaluating program services and systems; formulating budgets and financial programs; providing technical assistance and advice to subordinate programs and organizations; and taking responsibility through local school boards and tribal contractors for school operations.

Typical technical support activities include: (1) budget formulation and execution; (2) oversight, audit and review of: financial accounting and reporting; personnel management; property management; transportation; general procurement; contract and grant management; school support services; safety management; student rights and responsibilities; (3) automated education management system development and management; (4) certification of student counts; (5) preparation of reports to OIEP; (6) internal processing of personnel, contract, property and procurement requests; (7) providing technical assistance to tribes and contractors in formulation and development of contract/grant application and modification; (8) providing training to tribes/contractors in matters related to education programs; (9) providing counseling services to college students; (10) supervising and managing the Higher Education Grant program; and (11) technical assistance to school boards.

Management Information Systems

The major initiatives of the Management Information Systems (MIS) Program in FY 1987 will include: continued enhancement of the Student Enrollment and Attendance System (SEAS); implementing the curriculum information system; implementing the community demographics system; and implementing the student assessment and personnel system.

I. Student Enrollment and Attendance System (SEAS): The SEAS will be fully operational in all Bureau-funded schools in FY 1987. Additional enhancements to the SEAS such as student class scheduling will be a major effort in FY 1987. OIEP will establish a User's Committee comprised of school administrators, school board members, education line officers, OIEP Central Office staff, and Office of Data Systems staff for the purpose of advising and developing improvements to the SEAS.

The Indian School Equalization Program (ISEP) is planned to be fully automated from the SEAS in FY 1987. There will be considerable cost savings in time and resources by having the ISEP automated.

II. Curriculum Information System: In FY 1987 the curriculum information system will be implemented in all Bureau-funded schools. This system will focus on the curriculum offerings of the schools and the school's compliance with the Education standards.

III. Program Cost Accounting System: The planning and development of an education cost accounting system for Bureau-funded schools will be accomplished in FY 1987. The ISEP regulations, when finalized, will be the basis for the development of this system.

IV. Community Demographics System: The implementation of the community demographics system is scheduled for FY 1987. The system will be integrated with the SEAS and will contain economic, social, and educational data about the community that effect the quality and success of education programs funded by the Bureau of Indian Affairs.

V. Facilities Inventory System: The Office of Indian Education Programs will continue to utilize the Bureau's Facilities, Construction, Operations and Maintenance (FACCOM) system as the main source of information. OIEP will work with the Office of Data Systems and the Office of Construction Management in updating data on the FACCOM system at the local school level.

VI. Student Assessment System: In FY 1987, the student assessment system will be implemented as a subsystem of the SEAS. The goal of this system is to provide information on the academic programs offered at Bureau-funded schools and to determine how the resources provided to the schools can best be directed.

VII. Personnel Information System: The personnel information system will be implemented in FY 1987. The system will provide additional key information, such as certification of teachers, that is not available in the Bureau's current personnel system.

In FY 1987, with the assistance of the Office of Data Systems, OIEP expects to complete the pilot testing and enhancements to the following systems: a Tribally Controlled Community College Information System; a Special Scholarship System; and a Chapter I Information System.

In FY 1987, the OIEP will continue to provide ADP services for all Education locations and for other Bureau offices. These ADP services include the printing of financial, payroll, FTE, personnel, facilities, and other special reports generated through the Bureau's ADP system.

The following is the estimated breakdown of the MIS FY 1987 budget estimate:

	FY 1986	FY 1987	Difference
1. Systems Development	$255,000	$300,000	$ +45,000
2. Equipment for Schools (Burroughs AADIX)	200,000	180,000	-20,000
3. ADP Services	124,000	60,000	-64,000
Subtotal, ADP Related Costs	579,000	540,000	-39,000
4. MIS salaries, materials, supplies, data communication lines, travel, equipment leasing at OIEP, maintenance of systems at OIEP	95,000	134,000	+39,000
TOTAL	$674,000	$674,000	---

G. School Operations Contract Support

Base Program ($7,188,000; FTE-0-): The FY 1987 base includes $7,188,000 as the redistribution of contract support funds as directed by Congress. Since School Operations funding is distributed by the ISEP formula, the Contract Support funds cannot be merged into the program funds, because to do so would improperly distribute them to Bureau-operated schools as well as to contract schools. Contract support funds were allocated in FY 1985 based upon FY 1984 contracting experience. An amount was identified for each contract school and made available to the FY 1985 school contract on that basis, as an addition to the overall Bureau funding made available to the school. Although there may be yearly fluctuations in the amount of ISEP funding provided to a contract school because of varying WSU values or change in student population, further changes to the amount of contract support funds will not be made on a yearly basis.

In a future year, should a contract school be approved for a major change in program (e.g., add a secondary program to an elementary school), the program expansion will be evaluated to determine if it should be considered a "new" contract and therefore be eligible for additional contract support funds from the separately appropriated line item under Self-Determination Services.

Object Class Distribution - School Operations Subactivity

	FTE	Amount
Total Personnel Compensation (FTE).................	-211	$ -5,007,000
Personnel Benefits.................................		-638,000
Benefits to former personnel (severance pay, etc.).		-175,000
Travel and transportation of persons...............		-215,000
Printing and reproduction..........................		-20,000
Other services.....................................		+2,756,000
Supplies and materials.............................		-700,000
Total..		$ -3,999,000

Justification of Program and Performance

Activity: Education
Subactivity: Johnson-O'Malley Educational Assistance

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Johnson-O'Malley Educational Assistance	$	20,500	19,618	--	--	--
JOM Contract Support		2,544	2,435	--	--	--
Total Requirements	$	23,044	22,053	--	--	--
Distribution:						
Johnson-O'Malley	$	23,044	22,053	--	--	--

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Johnson-O'Malley Educational Assistance	$ 23,044	$ -991	$ 22,053

The Johnson-O'Malley funds are distributed by formula based on a student count; therefore, the 4.3% reduction under P.L., 99-177 was taken at the subactivity level before application of the formula. The result is a decrease of almost $4 for each weighted student unit.

Supplementary Educational Assistance

Authorization: The Johnson-O'Malley Act of April 16, 1934, authorized funding to support the basic education of Indian students in public schools. The Indian Self-Determination Act of January 4, 1975, P. L. 93-638, amended the Johnson-O'Malley (JOM) Act to provide for maximum Indian participation in Indian education by providing funds to meet the unique and special needs of Indian children. The Education Amendments of 1978 dated November 1, 1978, P. L. 95-561, authorized the development of an equitable distribution formula for supplemental funds.

Objective: To provide funding for supplemental programs for eligible Indian students in public schools and programs for three and four-year-old children to meet their special and unique needs as determined by contractors and local Indian education committees.

Base Program ($-0-): In keeping with the current Administration policy of consolidating in the U.S. Department of Education all funding for education programs serving Indian students in public schools, the JOM program will be merged with Part A of the Title IV program at the U.S. Department of Education to (1) eliminate the potential for duplicate Federal funding, (2) ensure better school district planning, and (3) to permit better assessment of the need for special aid for Indian children in public schools. Dual funding may result in one group of Indians receiving support from two or more federal sources while another group of Indians, in equal or greater need, may receive less assistance.

With one exception, the same types of services now provided by JOM can be funded by Title IV. JOM can be used for the parental cost of school lunches for students whose parents do not meet the income test governing the USDA lunch programs. Indian students whose parents meet the income test will have the benefit of the lunch program, just as do other eligible students.

Legislation being developed by the U.S. Department of Education will provide for the continuation of the strong provisions for local parent committees which has assured the involvement of the local Indian community and Indian parents with the public school system.

The legislation will also clarify the roles of the Department of Education (ED) and the BIA through designating ED as the federal agency responsible for providing services to Indian children in public schools and BIA as the agency responsible for providing sufficient funds and support for Bureau-administered schools and schools under contract to Indian tribes. Therefore, the FY 1987 base for JOM is zero under BIA.

The following is a description of the program as operated by BIA in FY 1986.

Indian children attending public schools sometimes have special and unique needs resulting from disadvantaged economic and social backgrounds and from different cultural backgrounds. In the past, state education departments and public schools did not specifically address these particular problems of Indian students in their basic education program, yet several states had substantial Indian or native populations, e.g., Alaska and Arizona. The Federal Government, therefore, under the authority of the Johnson O'Malley Act of 1934, provided supplementary financial assistance through the BIA to public schools to support the basic education of Indian students, including preschoolers, who were one-quarter Indian blood and members of federally-recognized tribes.

The purpose of JOM is not to provide support to basic education, but rather to supplement normal school programs with remedial tutoring, cultural enrichment, and parental cost support.

The types of supplemental activities provided by the JOM program, and also provided by Title IV, relate to educational needs, teacher support, and parental costs. For example, these funds are used for remedial tutoring, preschool programs, programs for gifted students, and summer school classes. They are also used to pay for teacher salaries, teacher aides, and home and school coordinators. Some are used for cultural enrichment. In FY 1986, the JOM program covered approximately 177,000 students in 26 states.

Justification of Program and Performance

Activity:	Education
Subactivity:	Continuing Education

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
A. Higher Education						
Tribe/Agency	$	29,203 a/		--	--	--
Area Offices	$	43 b/		--	--	--
B. Special Higher Education	$	1,939		1,939 c/	--	-1,939
C. Adult Education						
Tribe/Agency	$	3,543 a/		--	--	--
Area Offices	$	174 b/		--	--	--
D. Post-Secondary Schools	$ (FTE)	9,309 (249)		9,309 (249)	9,309 (249)	-- (--)
E. Tribally Controlled Community Colleges						
Operational Grants	$	11,335		11,335	10,903	-432
Snyder Act (Tribe/Agency Operations)	$	892 a/		--	--	--
Total Requirements	$ (FTE)	56,438 (249)	54,011 (249)	22,583 (249)	20,212 (248)	-2,371

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Continuing Education	$ 56,438	$ -2,427	$ 54,011

The Higher Education and Adult Education Programs are banded programs administered by the tribes, and reductions will be taken either by reducing the number of people served or the level of funding per individual. The Special Higher Education Scholarship program is contracted, and the contractor will determine whether to issue fewer scholarships or smaller scholarships. The three postsecondary schools will be funded at 4.3% below their appropriated level, and

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a/ Funding for Tribe/Agency is shown under the new OIP budget activity titled "Tribe/Agency Operations".

b/ Area Office field operations funding is shown under Technical Support, School Operations.

c/ Funding for graduate scholarships is shown under the new education subactivity titled "Education Enrichment and Advancement Programs".

each school will determine its own program allotments. Funds for tribally controlled community colleges are distributed to Indians and tribes on a grant for general operation of the college. The grant amounts will be increased to [illegible]

1. Higher Education

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Tribe/Agency Operations	$	[illegible] a/	---	---	---
Area Office Operations	$	[illegible] b/	---	---	---

---

a/ Funding for Tribe/Agency is shown under the new TPP budget activity titled "Tribe/Agency Operations".

b/ Area Office field operations funding is shown under [illegible] Operations.

2. Special Higher Education

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Central Office Operations	$	[illegible]	[illegible]	---	[illegible]

Objective: To provide financial assistance to Indian students for graduate level study with special emphasis on students pursuing the professions of law, medicine, forestry, engineering, and business administration.

Base Program ([illegible]; FTE [illegible]): To qualify for assistance under the current program, the applicant must meet all the basic requirements of the Bureau's general scholarship program (see Higher Education Program), have earned an undergraduate degree, and be officially admitted to a graduate studies program. Indian students, at those requiring graduate studies to qualify to obtain professional career status, may also be assisted from this program.

The purpose of this program is to provide financial assistance to American Indian students pursuing graduate degrees, primarily in the fields of (1) law, (2) medicine, (3) forestry, (4) engineering, (5) education, and (6) business administration. Through 1986, because of congressional language, the contractor had been selected on a sole source basis under the Buy Indian Act contract authority. The escalating costs of education and the increase in federal administrative costs prompted the Bureau to [illegible] the law program under one contract in 1986.

From [illegible] through [illegible], [illegible] students have participated in the Special Higher Education Grant program with [illegible] receiving advanced degrees for a completion rate of approximately [illegible] for the Law Program and [illegible] in the [illegible] program.

Table 1 provides the relevant historical and statistical data for the program.

TABLE 1 - ENROLLMENT AND GRADUATES 1972 - 1986

	Period 1972-1983	FY 1984	FY 1985	Total	FY 1986 Estimate
Enrollment	4,672	300	390	5,362	372
Graduates	1,704	105	140	1,949	130

In addition to this number, approximately 350 graduate students are funded as part of the Bureau's regular Higher Education Program. Also, the Navajo Tribe funds approximately 300 graduate students from tribal funds. In addition, American Indian Scholarships, Inc., the organization which contracts for the scholarship program, funds approximately 40 students from funds donated for designated fields of study.

Table 2 reflects the enrollment by profession for FY 1983 through FY 1986. Table 3 provides average grant/student data for the Special Higher Education Program.

TABLE 2 - ESTIMATED ENROLLMENT BY PROFESSION

	FY 1983	FY 1984	FY 1985	Estimate FY 1986
Education	47	51	71	72
Medicine & Health related Fields	36	37	52	53
Social Work & Related Fields	32	45	52	47
Business Administration	22	25	25	25
Natural Resources & related Fields	3	3	17	5
Engineering	2	4	17	8
Law	134	131	135	141
Other	22	8	25	11
Total	298	300	390	372

TABLE 3 - GRADUATE PROGRAM PROFILE
(Excluding Law)

	FY 1985	FY 1986 Appropriated
1. Enrollment	255	231
2. Funding Level	$1,[illegible]	$1,939,000
Administrative Cost	(249,000)a/	(250,000)
Direct Cost	(1,[illegible])	(1,689,000)
3. Average Cost	$6,172	$6,347

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a/ In FY 1985 the program was administered by two separate contracts, and the Indian Law Program was included in administrative cost.

[illegible] 57

Decrease from FY 1987 Base:

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
B. Special Higher Education	$ 1,939	---	-1,939

In FY 1987, the Bureau is proposing to consolidate this graduate program with the Indian Fellowship Program currently funded under Part B of the Title IV program of the U.S. Department of Education. Refer to the new subactivity entitled "Education Enrichment and Advancement Programs".

C. Adult Education

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Tribe/Agency Operations	$	1,547 a/	--	--	--
Area Office Operations	$	174 b/	--	--	--

D. Post-Secondary Schools

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Central Office Operations	$	9,109	9,104	9,104	--
	FTE	(249)	(249)	(249)	(--)

Objective: The objective of the three post-secondary schools, Haskell Indian Junior College (HIJC), the Institute of American Indian Arts (IAIA), and the Southwestern Indian Polytechnic Institute (SIPI), is to provide a variety of educational opportunities for Indian/Alaska Native students at the junior college level to prepare them to enter four-year colleges, universities, specialized art institutes, or to find employment.

Base Program ($[illegible]; FTE 249):

Haskell Indian Junior College (HIJC) ($4,990,000): Haskell is located in Lawrence, Kansas and has operated as a junior college since 1970. From 1884 to 1970, Haskell served Indian students at the elementary and secondary grade levels. Today, Haskell provides both an academic and a residential program for Indian students from across the country. The school also operates the usual student services such as a student dining hall, a health clinic (through the Indian Health Service), a financial aid office, a counseling center and a student activities office.

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a/ Funding for Tribe/Agency is shown under the new BIA budget activity titled "Tribe/Agency Operations."

b/ Area Office field operations funding is shown under Technical Support, School Operations.

Currently, Haskell is accredited by the North Central Association of Colleges and Schools and awards the Associate of Arts Degree and the Associate of Applied Science Degree. These degrees, as well as selected certificates, are awarded in the program areas of liberal arts, business education and vocational-technical education. The Associate of Arts Degree program provides the basic college coursework needed by students who intend to transfer to four-year colleges to pursue a baccalaureate degree; business and vocational-technical education is primarily designed to prepare students for either immediate employment or further college work.

During the 1984-85 school year, Haskell graduated 202 Indian students. Currently, Haskell has 789 Indian students attending the spring semester for the 1985-86 school year.

Institute of American Indian Arts (IAIA) (1,696,000): The Institute of American Indian Arts (IAIA) was established by the Bureau of Indian Affairs in 1962 at the site of the Santa Fe Indian School (SFIS) in Santa Fe, New Mexico. The IAIA was originally designed to offer a senior high school and post-high school curriculum, in a residential setting, which would focus on American Indian arts and would draw its student population from all tribes throughout the country. The IAIA continued its original programs until 1975 when the Commissioner of Indian Affairs chartered the IAIA to continue to offer 11th and 12th grade coursework leading to a high school diploma and to offer the two-year Associate of Fine Arts (AFA) postsecondary degree. The high school programs were completely phased out by 1979; and since that time, the IAIA has offered only postsecondary coursework for students enrolled in degree and non-degree programs.

The IAIA operated at the SFIS site from 1962 to 1981. In 1981 a majority of programs and functions of the IAIA were moved to the College of Santa Fe campus. Since the 1981-82 school year, the IAIA has operated its program in facilities leased from the College of Santa Fe, an independent, undergraduate liberal arts college. The College of Santa Fe is physically located less than two miles from the SFIS site. Today, the IAIA is the only major arts institution in the United States whose total education program is devoted soley to the artistic and cultural development of American Indians and Alaskan Natives.

In 1984 the IAIA was granted full accreditation status by the North Central Association of Colleges and Schools. Currently, the IAIA offers programs leading to certificates and the Associate of Fine Arts degree in four major areas: (1) Two-Dimensional Arts, (2) Three-Dimensional Arts, (3) Creative Writing and (4) Museum Training. In addition to the museum training program, the IAIA museum has become a national archive to display numerous Indian art forms from former students and on loan from individuals and tribal governments.

During the 1984-85 school year, IAIA graduated 54 Indian students. Currently, IAIA has 195 Indian students attending the fall semester for the 1985-86 school year.

Southwestern Indian Polytechnic Institute (SIPI) ($2,773,000): Southwestern Indian Polytechnic Institute is located in Albuquerque, New Mexico and was opened in September, 1971 with the purpose of providing Indian students with postsecondary education programs in high demand, vocational/technical fields. Today, SIPI provides both an academic and residential program for Indian students from more than 30 Indian tribes.

Fully accredited by the North Central Association of Colleges and Schools, SIPI provides instruction in a variety of careers. The industrial training programs include architectural and electronic drafting, surveying, electronics, graphic arts, offset printing, and optical technology. The business department offers training in secretarial and clerical skills, accounting, data processing, marketing and distribution. Students entering SIPI's food preparation program may specialize in institutional cooking, chef's training or fast food management.

During the 1984-85 school year, SIPI graduated 142 Indian students. Currently, SIPI has 476 Indian students attending the fall semester of the 1985-86 school year.

Some Indian/Alaska Natives have difficulty in competing in higher education because of restricted academic backgrounds, low income, living in isolated areas, and a lack of college orientation programs. Special consideration in designing curriculum best suited to the needs of Indian/Alaska Natives is a major concern which is strongly stressed and provided in Bureau postsecondary schools.

The three postsecondary schools' dormitories continue to be filled to capapcity. The geographic locations of the schools limit the number of day students able to commute. Table 1 shows the full-time equivalent (FTE) student data. FTE is calculated by dividing the cumulative student academic hours per academic term by twelve.

TABLE 1 - STUDENT FTE DATA

	FY 1985 (Actual)		FY 1986 (Estimate)		FY 1987 (Estimate)	
	TOTAL FTE	DORM CAPACITY a/	TOTAL FTE	DORM CAPACITY a/	TOTAL FTE	DORM CAPACITY a/
Haskell	983	700	1,081	700	1,081	700
IAIA	202	160	195	160	195	160
SIPI	777	512	735	512	735	512
Total	1,962	1,372	2,011	1,372	2,011	1,372

a/ Dorms are for single residents only. Tribal funds, Department of Education financial aid, the Higher Education Grant Program, and Adult Vocational Training Funds are used to assist married students living off campus.

The number of Indian/Alaska Native students awarded Associate Degrees or certificates of completion from the three schools is shown in Table 2. Table 3 displays the estimated cost per student FTE.

TABLE 2 - NUMBER OF GRADUATES

	FY 1984 (Actual)	FY 1985 (Actual)	FY 1986 (Estimate)	FY 1987 (Estimate)
Haskell	210	202	125 a/	175
IAIA	57	54	55	55
SIPI	130	142	140	140
Total	397	398	320	370

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a/ The pre-college program implemented at Haskell in 1984/85 has slowed down the graduation of some students but has improved their performance.

TABLE 3 - ESTIMATED COST PER FTE

School	FY 1987 FTE (EST)	FY 1987 Cost/FTE (EST)	FY 1987 ESTIMATE
Haskell	1,081	$ 4,524	4,890,000
IAIA	195	$ 8,697	1,696,000
SIPI	735	$ 3,705	2,723,000
TOTAL	2,011		9,309,000

E. TRIBALLY CONTROLLED COMMUNITY COLLEGES

	FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Tribe/Agency Operations $	892 a/	--	--	--
Central Office Operations $	11,335	11,335	10,903	-432

Authorization: P.L. 98-192 is the authority under which funding for Tribally Controlled Community Colleges is provided by the Secretary.

Objective: The objective of the program is to provide financial assistance to Tribally Controlled Community Colleges (TCCCs) so that Indian/Alaska Native students may further their education, in a supportive environment, in close proximity to the Indian reservations.

Base Program ($11,335,000; FTE-0-): The Indian Self-Determination and Education Assistance Act (P.L. 93-638) states the role of the Federal Government is to provide comprehensive education programs and services for Indians/Alaska Natives. Community colleges are governed by a local board of regents, a majority of whom are Indian. This enables the sponsoring tribes to pursue educational goals for their people compatible with the needs and assessments of the tribes. Table 1 presents summary data for the Tribally Controlled Community Colleges for FY 1985 through FY 1987. Title I of the Tribally Controlled Community College Assistance Amendments Act of 1983 (P.L. 98-192 dated December 1, 1983) authorizes grants to the Tribally Controlled Community Colleges to defray expenditures for academic, educational, and administrative purposes and for the operation and maintenance of all TCCCs except Navajo Community College. Title II grants are authorized only for the Navajo Community College for an amount necessary for operating and maintaining the College, including, but not limited to, administrative, academic, and operation and maintenance costs.

Public Law 98-192 directed a revised method of counting students for Title I TCCCs. "Full Time Equivalent (FTE)" will be changed to "Indian Student Count (ISC)". All credit hours (for full-time, part-time, and summer students) are added together and divided by 12 to arrive at the ISC. For FTE calculation, full-time students were counted as one FTE regardless of the number of hours enrolled, credit hours of part-time students were converted to FTE by dividing the hours by 12, and summer students were not included in the count. The impact of this conversion is that the number of ISC is approximately 15% higher than the number of FTE. Table 3 provides a conversion for FY 1985, 1986, and 1987.

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a/ Funding for Tribe/Agency is shown under the new OIP budget activity titled "Tribe/Agency Operations".

The law directed the GSA to conduct, and submit to the Congress by June 1, 1985, a study of facilities which might be available for use by the TCCCs. The study will not be conducted until a funding source has been identified. The law further directed that after completion of the study, the GSA and BIA initiate a program for the identified facility improvement or new construction. No funds are included in this budget request for facility improvements or new construction for TCCCs.

TABLE 1 - SUMMARY DISTRIBUTION OF FUNDS ($000)

Funding	FY 1986 Enacted to Date	FY 1987 Base	FY 1987 (Estimate) Grant
Title I	$ 7,406	$ 7,406	$ 6,974
Title II	3,813	3,813	3,813
Tech. Assistance	116	116	116
Totals	$ 11,335	$ 11,335	$ 10,903

Since tribal colleges are located on non-taxable Indian lands, Bureau grants are provided to tribal colleges in lieu of local tax funds. Operating grants serve as seed money for tribal colleges to obtain additional financial assistance from other sources to complement their total budgets.

The minimum requirement for funding of the Tribally Controlled Community Colleges under Public Law 98-192 is a positive eligibility study. The process begins with the tribe submitting an application to the Office of Indian Education Programs. An on-site visit is made to conduct the feasibility study. A feasibility study model is used as the standard instrument in making a determination for eligibility. The model requires evidence: (1) that organic documents and legal requirements outlined in the law are met; (2) of harmony between the needs outlined by the tribe and the goals, philosophy and plan of operation of the college; (3) that the curriculum is in harmony with the goals and objectives of the tribe; (4) that the institution has a system for identifying full-time and part-time students in attendance; (5) of the absence of alternative education sources; (6) of the presence of a reasonable number of students; (7) of the existence of sufficient facilities to meet the needs of the student body; (8) that the existing staff is adequately providing the services offered by the college; and (9) that the college has adequate funding to support its proposed program and that available resources are managed in an efficient and accountable manner. The feasibility study is based on the criteria that the tribal college: (1) is feasible to the extent that it meets the requirements of the law; (2) will continue to operate; and (3) will seek full accreditation. Feasibility can be determined by the implicit and explicit comparison of the school with other similiar institutions. The Director, Office of Indian Education Programs, has the final responsibility for determining "whether there is justification to encourage and maintain a Tribally Controlled Community College." The technical assistance amount of $110,000 is provided to assist the tribal colleges in gaining full accreditation and maintaining quality cost effective program operations.

An operational grant, as opposed to a Public Law 93-638 tribal contract, is provided to each tribal college once it is determined that it is eligible under the provisions of Public Law 98-192.

Table 2 shows the list of Title I Tribally Controlled Community Colleges and the comparative data on the number of FTE Indian students, graduates, accreditation status, and the types of degrees and certificates awarded by each college for fiscal years 1983-86.

TABLE 2 - FTE and Graduates

	FTE d/				GRADUATES				
Tribal College	FY 1983	FY 1984	FY 1985	Est. FY 1986 e/	FY 1983	FY 1984	FY 1985	Accreditation a/	Degrees or Certificate Offered b/
Blackfeet	176	179	174	210	84	22	56	Cand	AA, AAS, Voc. Cert.
Cheyenne River	73	52	45	47	10	7	7	NA	AA, AS, Voc. Cert.
College of Ganado	130	157	182	126	9	17	15	Accred	AA, AAS
D-Q University	100	107	112	107	12	11	7	Accred	AA. AS
Dull Knife	146	190	178	87	20	15	18	Cand	AA, AAS
Fort Belknap c/	--	--	76	65	--	--	--	NA	AA
Fort Berthold	41	63	61	99	16	11	15	Cand	AA, Voc. Cert.
Fort Peck	50	57	59	104	14	15	10	Cand	AA, AAS, Voc. Cert.
Lac Courtes Oreilles Ojibwa	--	57	66	97	--	4	--	NA	AA
Little Big Horn	81	95	80	84	5	35	25	Cand	AA, Voc. Cert.
Little Hoop	39	57	66	68	12	7	10	NA	AAS, Voc. Cert.
Lummi	26	77	104	140	20	1	10	NA	AS
Nebraska	162	149	146	138	21	22	23	Cand	AA, AS, AAS, Voc. Cert.
Oglala Sioux	371	421	480	454	53	71	70	Accred	AA, BS, Voc. Cert.
Salish Kootenai	190	182	179	224	42	28	40	Accred	AA, AAS, Voc. Cert.
Sinte Gleska	194	252	269	305	24	15	30	Accred	AS, AAS, BS, Voc. Cert.
Sisseton-Wahpeton	71	116	126	93	38	15	10	Cand	AA, Voc. Cert.
Standing Rock	172	214	225	205	24	32	30	Accred	AA, AAS, AS, Voc. Cert.

TABLE 2 - FTE and Graduates (Continued)

Tribal College	FTE d/ FY 1983	FTE d/ FY 1984	FTE d/ FY 1985	FTE d/ Est. FY 1986 e/	GRADUATES FY 1983	GRADUATES FY 1984	GRADUATES FY 1985	Accred-itation a/	Degrees or Certificate Offered b/
Turtle Mountain	172	191	225	259	53	40	61	Accred	AA, AAS
Title I Totals	2,194	2,616	2,853	2,912	457	368	437		

a/ Accred - Fully accredited by a recognized accreditation association.
Cand - Candidate status towards accreditation.
NA - Not accredited but meets the three institutional certification requirements of Public Law 95-471.

b/ Degrees Awarded by TCCC:
ASN - Associate of Science Nursing (R.N. and L.P.N. - at NCC 80% of the students must pass State examinations in order for the program to maintain accreditation).
AA - Associate of Arts
AS - Associate of Science
AAS - Associate of Applied Science
BS - Bachelor of Science
Voc. Cert. - Vocational Certificate, at least one year but not more than two years in a vocational program. (Students must pass a proficiency examination in vocational programs).

c/ First funded in FY 1985.

d/ To convert these FTE figures to ISC's, increase each number by 15%.

e/ FTE for FY 1986 represent student count for the fall 1985 semester. These numbers will be averaged with the spring 1986 semester (and winter quarter where appropriate) for the final fund distribution.

TABLE 3 - FTE Conversion Table Title I

	FY 1985 Actual	FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate
Prior method of counting = FTE	2,853	2,912	2,912	2,742
New method of counting = ISC a/	3,281	3,349	3,349	3,158
Funds available	$ 6,950,000	$ 7,406,000	$ 7,406,000	$ 6,974,000
Value Per FTE	$ 2,436	$ 2,543	$ 2,543	$ 2,543
Value per ISC	$ 2,118	$ 2,211	$ 2,211	$ 2,211

a / The new method of calculation results in a count approximately 15% higher than the old method.

TABLE 4 - TITLE II FUNDS a/
(Dollars in thousands)

	FY 1985 Actual			FY 1986 Enacted to Date			FY 1987 Estimate		
		# of students			# of students			# of students	
	Grants	Full-Time	Part-Time	Grants	Full-Time	Part-Time	Grants	Full-Time	Part-Time
Navajo Community College	$3,837	542	1,034	$3,813	542	1,034	$3,813	542	1,034

a/ Fall and Spring enrollment are averaged for calculation of number of full-time and part-time students.

Decrease from FY 1987 Base:

(dollar amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
E. Tribally Controlled Community Colleges Operating Grants	$	11,335	10,903	-432

The Bureau has developed proposed regulations on Tribally Controlled Community Colleges (TCCCs) to implement the provisions of P.L. 98-192 and to respond to concerns raised by the Inspector General in an audit of this program. The IG expressed three major concerns: (1) students enrolled in TCCCs who are not high school graduates; (2) some students are counted for funding even though they failed to complete credits during the preceding year or earned less than a "C" average; and (3) students don't attend classes. The proposed regulations address all three of these concerns. The IG estimated that strengthened requirements could decrease the student count by 15%.

The base program assumed a student count at the FY 1986 level and an FTE value to reflect the FY 1986 Congressional add-on to Title I TCCCs. The FY 1987 estimate maintains the FY 1987 base value for an FTE, but reduces the student count by 170 FTE or 6%. The FTE reduction is related to the tightened controls built into the regulations and offset by the general upward trend in TCCC enrollment.

Object Class Distribution - Continuing Education Subactivity

	Amount
Other services...	$ -1,939,000
Grants, subsidies, and contributions..........................	-432,000
Total...	$ -2,371,000

Justification of Program and Performance

Activity: Education
Subactivity: Education Enrichment and Advancement Programs

(Dollar amounts in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Special Enrichment Programs	$	--	--	9,500	9,500	--
B. Fellowships for Indian Students	$	--	--	2,000	2,000	--
Total Requirements	$	--	--	11,500	11,500	--

For FY 1987, the Bureau of Indian Affairs is requesting $11,500,000 for a new activity--Education Enrichment and Advancement Programs. This activity will fund two national level programs: (1) special enrichment programs for pre-school, elementary, and secondary students, and (2) fellowships for Indian students to attend graduate school. With some modifications, both of these programs are basically continuations from prior years of programs funded under Parts A and B of Title IV of the Indian Education Act administered by the U.S. Department of Education.

A. Special Enrichment Programs

Objective: The broad objective of this activity is to assist Indian students in developing the attitudes, motivation, skills, and knowledge necessary to succeed in the world; and at the same time, reinforce the values and traditions of the Indian society.

Specific objectives include: (1) improving student achievement in academic subjects and basic skills; (2) preventing school dropouts; (3) reducing absenteeism; and (4) developing student competence in traditional subjects and skills, i.e. native arts and crafts.

Base Program ($9,500,000): In keeping with the current Administration policy of consolidating in the Bureau of Indian Affairs all funding for Education programs serving Indian students in Bureau-funded schools, the Bureau will operate the following Title IV programs in FY 1987.

- Payments to Indian Controlled Schools, Part A
- Planning, Pilot and Demonstration Projects, Part B
- Educational Services Projects, Part B

The basic purpose of this subactivity is to provide financial assistance for (1) projects designed to improve educational opportunities for Indian children by providing educational services that are not available in sufficient quantity or quality to those children; (2) enrichment programs that introduce innovative and exemplary approaches, methods, and techniques into the education of Indian children in elementary and secondary school; and (3) planning, pilot and demonstration projects designed to create, test, and demonstrate the effectiveness of programs for improving educational opportunities for Indian children.

The three programs have historically funded many of the same types of activities. The Bureau has, therefore, consolidated them into one program and expanded eligibility for participation from just tribes and Indian organizations (primarily BIA-funded contract schools) to include BIA-operated schools. The Bureau plans to issue regulations defining the criteria upon which awards will be made. Recognizing that each project will be unique, since goals and objectives are based on the specific needs of the service population, the award will generally be made for the following broad categories (1) pre-school programs; (2) curriculum development; (3) Indian cultural heritage; (4) computer/media instruction; (5) dropout prevention and reduction of absenteeism; (6) tutoring and/or counseling; (7) career/vocational training; (8) bilingual programs; (9) gifted and talented curriculums, including providing accelerated courses in such areas as math or science; (10) teacher training; and (11) alcohol and drug abuse.

Individual schools will compete for the funds through submission of applications to the Central Office of the Office of Indian Education Programs. While the actual criteria and the number of points to be assigned to each have not been finalized, the Bureau expects to use most of the same major criteria as those established for the Title IV programs. They are (1) the educational needs of the Indian children to be served with an explanation of why the school lacks the financial resources to conduct the project; (2) the quality of the total plan of operation, including (a) design of the project, (b) management plan, (c) how objectives relate to purpose of the program, and (d) activity plan; (3) parental and community involvement; (4) quality of key personnel; (5) budget and cost effectiveness; (6) evaluation plan; and (7) adequacy of resources, including facilities.

B. Fellowships for Indian Students

Objective: To provide financial assistance to Indian students for graduate level study with special emphasis on students pursuing the professions of law, education, medicine, natural resources, engineering and business administration.

Base Program ($2,000,000): The Bureau proposes to consolidate its Special Higher Education Program with the Indian Fellowship Program formerly funded under Part B of Title IV at the U.S. Department of Education. The primary objective of both programs has been to provide financial assistance to Indian students for graduate level study in the fields of law, medicine, education, business administration, forestry, and engineering. Psychology was added as a new eligible field by the Education Amendments of 1984 (P.L. 98-511). The primary difference between the two programs was the criteria for determining to whom awards would be granted. Participation in the BIA program was limited to graduate level study and was based solely on financial need. Approximately 39 percent of the FY 1985 awards under the Title IV program went to undergraduate students in the fields of business administration, natural resources, and engineering. Title IV awards were based on financial need, academic record, other potential for success, and likelihood of service to Indians upon graduation.

Eligibility for grants awarded by BIA also differed from that of Title IV. BIA recipients must be at least one fourth degree Indian blood and a member of a federally-recognized tribe. In FY 1984, 75 percent of the Title IV fellows were members of a federally-recognized tribe. Of the 57 fellows who were not members of a federally-recognized tribe, 42 were from one tribe. These students will still be eligible for the student aid programs offered by the Department of Education and other federal programs.

The reduction of $1,254,000 from the combined FY 1986 funding level of these two scholarship programs results from the Bureau's efforts to assist the President and the Congress to reduce the federal deficit. The Bureau is giving the highest priority to continuation of providing basic skills and other educational programs in elementary and secondary schools. In addition, the FY 1987 level for undergraduate programs has increased by $713,000 over the FY 1986 level of $29,203,000.

The $2,000,000 is expected to provide funding for approximately 350 graduate students in FY 1987. The program will be handled through a single contract awarded through the competitive process and will use the BIA criteria for eligibility and need.

Activity Summary

(dollars in thousands)

Activity: Indian Services

Subactivity (program)	FY 1985 Actual (W.B.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 est. over 1987 Base
Tribal government services	26,034	32,244	31,847	5,616	5,408	(208)
Social services	107,478	111,199	106,331	92,453	93,753	1,300
Law enforcement	44,387	44,770	44,681	2,565	3,065	500
Self-determination services	18,292	15,937	15,829	8,011	12,292	4,281
Navajo-Hopi settlement program	2,773	2,844	2,605	2,401	2,401	0
Indian services (contract support)	17,206	0	0	0	0	0
Reduction (sec. 2901)	(474)	0	0	0	0	0
Total	228,971	216,270	200,888	111,278	117,002	5,716

Justification of Program and Performance

[illegible]

[illegible]

[illegible]

Justification: [illegible]

Objectives: To improve tribal governments' operational capabilities through the provision of technical and financial assistance to tribes so they can exercise the full range of their inherent powers in an effort to better serve their tribal members and communities. To insure the timely submission of judgment plans ensuring, to the greatest extent practicable, that tribal plans for the utilization of their money are adopted. To ensure the timely processing of petitions from non-Federally recognized Indian tribes or groups in order to determine their proper relationship with the Federal Government.

Base Program ($[illegible]; FTE [illegible]): The Tribal Government Services subactivity contains a number of separate and distinct program elements providing technical and/or financial assistance to Indian tribes. Each program element is discussed in more detail as follows:

Community Services General ($[illegible]; FTE [illegible]): This program provides, at the area and central office levels, staff specialists and program and policy advisors to the Area Directors and the Assistant Secretary for Indian Affairs, respectively, on all matters related to the entire Indian Services program.

Area Office Operations ($[illegible]; FTE [illegible]): The area office level is involved in, and responsible for, the application of program policy and implementation of all Indian services programs.

Central Office Operations ($[illegible]; FTE [illegible]): The central office level provides staff support to the Assistant Secretary for Indian Affairs with respect to policy and operational matters regarding Indian Services programs.

All Other Aid to Tribal Government ($[illegible]; FTE [illegible])

Area Office Operations ($[illegible]; FTE [illegible]): The majority of the area office funding is used to provide technical assistance to [illegible] Federally recognized Indian tribes in the lower 48 states and [illegible] Alaska Native groups. The area staff and funds are used to assist the tribes in developing, improving or amending tribal constitutions, bylaws, codes and ordinances and membership rolls; conducting elections; reviewing and approving tribal attorney contracts; assuring the integrity of the various branches of government; resolving issues involving intratribal disputes, membership, recall and removal; and providing related assistance to tribal governments. In addition, the area office staff conducts the hearings of record required for the use and distribution of judgment fund awards. Once a distribution plan becomes effective, the area staff implements the plan and has the responsibility of performing the enrollment work necessary for making a per capita distribution. When the Secretary has been directed to prepare a payment roll (e.g., when the award is to be distributed on a descendancy basis), applications for enrollment are usually filed with a Bureau Area Director. The enrollment staff is also responsible for certifying enrollment as a member of a Federally recognized tribe and/or the possession of Federally recognized Indian blood for the purpose of qualifying individuals for Federal services and benefits available to Indian people.

Central Office Operations ($[illegible]; FTE [illegible]): In addition to providing overall program management, the central office staff performs work and provides technical assistance in the areas of tribal claims, tribal enrollment, tribal government, and Federal acknowledgment of the existence of tribal entities not currently recognized by the Bureau.

With respect to tribal claims, the central office is involved in two areas. The first is providing technical assistance to tribes and their claims attorneys concerning the prerequisites for obtaining Secretarial approval of compromise settlements of claims pending before the U.S. Claims Court, many of which are multimillion dollar settlements and auditing attorney fees and expense vouchers after judgments are awarded. The second is performing the ethnohistorical research concerning beneficiaries of judgment awards and processing detailed plans or preparing legislation for tribal use of the judgment funds, in compliance with the Indian Judgment Fund Distribution Act. The type of work performed includes the identification of modern-day tribal beneficiaries and often involves complex multitribal determinations where more than one tribe is involved. In those instances where funds are to be distributed to descendants of historical tribes, the staff develops the eligibility criteria which will govern individual rights to participate in the judgment fund distribution. Once the beneficiaries have been identified and the area offices have held a Hearing of Record, the central office staff develops the Judgment Fund Distribution Plan or proposed legislation for submittal to the Congress.

The Tribal Enrollment program provides technical assistance to the area, agency and tribal staff with respect to developing or updating membership criteria or procedures, preparing and maintaining tribal membership and tribal payment rolls and certifying or computing degree of Indian blood. As required by law or provided for in tribal governing documents, the enrollment program staff reviews appeals from the rejection of applications for membership or enrollment at the tribal and/or Area level. They also review cases where individuals have questioned the degree of Indian blood shown for them or their ancestors in the official records which affects their eligibility for membership and/or for services and benefits.

The Tribal Government program provides technical assistance to area, agency and tribal staff concerning the development and amendment of tribal constitutions and bylaws, ordinances and other governmental documents. Efforts in this area are ongoing and reflect a commitment to modernize tribal governing documents to reflect modern-day realities and equip tribes with the mechanisms to adequately deal with and regulate the affairs of the tribe, its members and other reservation residents. Additionally, there is a high degree of staff involvement in intratribal disputes which often have the potential to tear apart the tribal fabric. This involvement requires monitoring the dispute, mediating resolution efforts and, when resolution efforts fail, recommending specific action to Bureau line officials.

The Acknowledgment and Research program is responsible for the researching and processing petitions for the Federal acknowledgment of Indian groups not currently recognized by the Bureau. The Bureau has established criteria, in 25 CFR 83, which is used to evaluate these petitions. There are approximately 117 unrecognized groups in the nation, of which 88 have formally petitioned the Bureau. Acknowledgment establishes a government-to-government relationship with those tribes that can meet the criteria, entitling them to the special Indian services of the Bureau and other Federal, State, and private agencies. Considering the fact that the unrecognized groups average 600 members each, and the Bureau expends approximately $1 billion annually to service a tribal population of [illegible], the need for a painstaking evaluation becomes apparent. Of the 18 groups which have been evaluated by the program since 1978, 12 have been denied acknowledgment.

New Tribes Undistributed ($1,186,000; FTE 0): The New Tribes program provides the initial source of funding for newly acknowledged tribes, enabling them to begin regular federally funded operations under their proposed budgets.

Funding for newly acknowledged tribes which have approved budgets is carried in the summary table of funding under the undistributed category until such time as their funding level can be reflected in the Tribe/Agency base. At that time, their funding is transferred to the tribal priority system. The undistributed category is reduced accordingly. In FY 1987, the base amount of $1,186,000 will continue to be used to provide funding to 21 tribes.

Decrease from FY 1987 Base:

		(dollars in thousands)		
Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Area Office Operations	$	3,556	3,350	- 206
	(FTE)	(44)	(39)	(-5)

Area Office Operations (-$206,000; FTE -5): This decrease is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in overhead funding which were made in FY 1983 through FY 1986.

Object Class Distribution - Aid to Tribal Government Program

	FTE	Amount
Total Personnel Compensation	- 5	-$ 81,000
Personnel Benefits: Civilian		- 8,000
Travel and Transportation of Persons		- 19,000
Transportation of Things		5,000
Rent, Communications, and Utilities		- 3,000
Other Services		- 29,000
Supplies and Materials		- 40,000
Equipment		- 3,000
Total	- 5	-$206,000

B. Tribal Courts

(dollars in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Special Tribal Courts	$	1,506		1,391	1,391	--
	(FTE)	(--)		(--)	(--)	(--)
Tribe/Agency Operations	$	9,119		--	--	--
	(FTE)	(22)		(--)	(--)	(--)

Authorization: 25 U.S.C. 461-479 (The Indian Reorganization Act of 1934), authorized tribes to reorganize under the provisions of the Act and to adopt constitutions, many of which contained provisions establishing tribal courts. P.L. 92-240 (The Maine Indians Claims Settlement Act of 1980) authorized the Maine Indian tribes to establish tribal courts. Numerous Federal and State court decisions have recognized the authority of Indian tribes to exercise their sovereignty and to establish forums to maintain law and order and resolve disputes.

Objective: To improve and maintain the judicial capabilities of Indian tribes at a level which will insure the speedy and impartial adjudication of violations of tribal law and the resolution of civil disputes.

Base Program ($1,391,000; FTE 0): The Special Tribal Courts program enables the Bureau to provide training and technical assistance via contract for Indian court personnel on a nationwide basis. In FY 1985, emphasis was placed on increasing the capabilities of existing tribal court systems and improving judicial, administrative, and prosecution functions. Since this effort was initiated, the Bureau has provided training sessions for approximately 750 to 800 Indian court personnel, through contracts and by in-house instructors, at regional training sessions. Formal course-work training has covered subjects such as: Basic and Advanced Criminal Law and Procedure; Basic and Advanced Civil Law and Procedure; Family Law; Torts; Contracts; Legal Writing; Evidence; Indian Probate; Court Administration; etc. Since the turnover rate for all judicial personnel is high, it is essential that training sessions be held on a regular basis. During FY 1985, both the number of courses offered and the number of course subjects increased. Emphasis was placed on classroom style training which permits a smaller student-to-teacher ratio than in a conference environment.

Also, in FY 1985 an effort was initiated to perform technical reviews of tribal court systems (approximately 25 scheduled for review) and to provide specifically designed training to address administrative and technical deficiencies identified during the reviews and through the implementation of the Court Improvement Plans. Funds are also used to purchase the Indian Law Reporter for all 127 tribal courts to meet the most pressing needs of certain court systems and, in response to congressional concerns, to provide assistance to tribal court systems in applying self-assessment analyses. During FY 1987, the described efforts will be continued.

Supervision of the Special Tribal Courts program is funded under the Aid to Tribal Government program element. Base program functions at the supervisory level represent the core of Bureauwide judicial services technical assistance to field personnel and tribal judicial systems on matters concerning program organization and management; civil and criminal jurisdiction; training of judicial personnel; development of rehabilitation capabilities, alternative codes and procedures, and court standards. The Central Office works closely with the Department of the Interior Solicitor's Office, the Federal court systems, and the Justice Department in developing, establishing, and maintaining tribal judicial systems which are in full accord with constitutional and other legal guarantees. It also promotes the development and implementation of model codes and systems which may be modified, as necessary, to meet local tribal needs; reviews regulations and legislation affecting the tribal judiciary; and maintains a close working relationship with the National American Indian Court Judges Association, other Indian organizations associated with the Indian Judiciary, and Federal agencies in order to insure close communication and the best joint use of resources for the overall development of the tribal judicial system.

Central Office personnel also review tribal liquor ordinances for compliance with 18 U.S.C. 1161 and process these ordinances for publication in the Federal Register, as required by law. The staff also encourages the development of an awareness within the Indian Judicial system of its role within tribal government in crime prevention and rehabilitation of offenders, including providing for meaningful probation programs.

Workload Data:	Actual 1984	Actual 1985	Estimate 1986	Estimate 1987
Special Tribal Courts Training				
Training Sessions (in-house)	--	11	12	14
Training Sessions (contract)	14	10	13	16
Trainees	500	750	950	1,200
Judges	250	450	600	800
Other Court Personnel	250	300	350	450

Justification of Program and Performance

Activity: Indian Services
Subactivity: Social Services

(dollars in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. All Other Social Services	$	22,464		1,581	1,648	+ 67
	(FTE)	(210)		(40)	(41)	(+ 1)
B. Welfare Assistance Grants	$	90,735		90,332	91,455	+1,123
	(FTE)	(--)		(--)	(--)	(--)
Total Requirements	$	113,199	108,331	91,913	93,103	+1,190
	(FTE)	(210)	(210)	(40)	(41)	(+ 1)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp
Social Services	$	113,199	- 4,868	108,331

As a result of the P.L. 99-177 reduction, a comprehensive and quality program to meet the financial, counseling and home/institutional care needs of adults and children will be impacted. Under the Indian Child Welfare Program, Indian children eligible for services who have no other resources and are entirely dependent upon the Bureau for assistance will be affected. Another program, Solo Parent Program, which serves Indian children who are dependent upon the Bureau for a service that they cannot receive elsewhere will also be impacted. Performing on-site field visits for program reviews and training activities will be limited, and the filling of the most critical positions will be delayed.

A. All Other Social Services

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Area Office Operations	$	980		1,005	972	-33
	(FTE)	(24)		(24)	(22)	(- 2)
Central Office Operations	$	576		576	676	+100
	(FTE)	(16)		(16)	(19)	(+ 3)
Tribe/Agency Operations	$	20,908			--	--
	(FTE)	(170)		(--)	(--)	(--)

Objective: To provide Bureau-wide direction and control of the social services program by establishing or revising policies and/or procedures that will result in the provision of a comprehensive and quality program to meet the financial, counseling, and home/institutional care needs of adults and children who are eligible for program services.

Base Program ($1,581,000; FTE 40): The central office and area offices are responsible for programmatic direction for all aspects of the social services program. This includes provision of technical assistance to both Bureau and tribally operated social services programs.

Area Office Operations ($1,005,000; FTE 24): The area offices have responsibility for overall technical supervision of the Areas' social services programs. Responsibilities include development and operation of the Area social services program; provision of technical assistance and consultation to the Area-wide social services staff, tribes and Indian organizations with respect to ICWA programs; coordinating social services policies, programs, and procedures with those of other Federal, State, and local agencies; performing field visits for program reviews and training purposes; making recommendations regarding the social services budget, including staffing, operations, and grant funds; assisting Bureau and tribal staff in improving professional competence; and supervising of the Area ICWA programs.

Central Office Operations ($576,000; FTE 16): The central office exercises programmatic direction for all functions and systems of the social services program. Responsibilities include policy analysis, formulation, and implementation; management systems development, implementation, and evaluation; program planning, oversight, and evaluation; justification for appropriated funds; analysis of need to determine proper distribution of all grant funds; and coordinating the social services program with other Bureau and Federal agencies programs.

Increase/Decrease from FY 1987 Base:

		(dollars in thousands)		
Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Area Office Operations	$	1,005	972	- 33
	(FTE)	(24)	(22)	(-2)
Central Office Operations	$	576	676	+100
	(FTE)	(16)	(19)	(+3)
Total	$	1,581	1,648	+ 67
	(FTE)	(40)	(41)	(+1)

Area Office Operations (-$33,000; FTE -2): This decrease is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Director to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in overhead funding which were made in FY 1983 through FY 1986.

Central Office Operations (+$100,000; FTE +3): The increase is required to expand the Bureau's initiative to establish a Quality Control Unit which will monitor and control payment integrity in the general assistance grant program. This initiative will assure that adequate quality control standards are established and put in operation, an accurate caseload and expenditure reporting system is in place, and appropriate regulations and operating manuals are issued and complied with by field organizations. The Quality Control Unit will be responsible for development of standards and procedures for evaluation and monitoring of area offices and agencies; development and testing of instruments to assess accuracy of eligibility determinations and level of payments, degree to which policy, standards and instructions are followed and applied uniformly at the area office and agency levels (administrative-operational reviews); and development of a consistent data base for program management, reporting, program development and planning.

Object Class Distribution - All Other Social Services Program

	FTE	Amount
Total Personnel Compensation	+ 1	+$ 40,000
Personnel Benefits: Civilian		+ 4,000
Travel and Transportation of Persons		+ 13,000
Supplies and Materials		+ 10,000
Total	+ 1	+$ 67,000

B. Welfare Assistance Grants

(doll[illegible] in thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	[illegible]87 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Welfare Assistance Grants (Regular)		$ 81,807		81,404	85,237	+ 3,833
	(FTE)	(--)		(--)	(--)	(--)
Solo Parent Program (CW)		$ 108		108	108	--
	(FTE)	(--)		(--)	(--)	(--)
Indian Child Welfare Acts (ICWA)		$ 8,820		8,820	6,110	- 2,710
	(FTE)	(--)		(--)	(--)	(--)

Objective: To provide welfare assistance to eligible Indians who cannot obtain such assistance from states or local governments; and to provide Indian Child Welfare Act, Title II grants to Indian tribes for family and child services programs designed to maintain the integrity of Indian family life and to keep Indian children in their own homes.

Base Program ($90,332,000; FTE 0): The Bureau of Indian Affairs provides welfare assistance to otherwise eligible Indians in its administrative jurisdictions when such assistance is not available through State or local public agencies. The Bureau provides services both through Bureau operated programs (which constituted approximately 45% of the entire welfare assistance grants program in FY 1985) and through Public Law 93-638 contracts with tribes (which constituted approximately 55% of the program in FY 1985). Consistent with the September 30, 1985, revision of 25 CFR 20, it is the Bureau's position that, insofar as possible, Indians should have the same right to State public welfare services as non-Indians under similar circumstances. The Bureau does, however, provide welfare assistance and services to eligible Indians when States do not provide for certain needs of Indians who reside on or near reservations. The Bureau therefore may provide services in a given State where State statutes and policies exclude Indians from participation in service programs (e.g., due to the tax-exempt status of Indian lands), and in circumstances where jurisdictional disputes between tribes and States prevent the delivery of services to Indians. In other instances, Federal legislation requires the Bureau to provide social services to specific tribes. An example of this is P.L. 97-429 which directs the Bureau to service the Texas Band of Kickapoos in Maverick County, Texas. With regard to the general assistance program component, the Bureau, by regulation, provides such assistance in States that do not provide general assistance programs to meet essential needs on an on-going basis.

Under regulation the Bureau applies State-established public assistance standards (Aid to Families with Dependent Children-AFDC) to determine individual need and payment levels for Bureau general assistance (welfare) payments and foster home payments for children.

These standards of assistance are used because they are individually drawn up by each State taking into account special conditions within the State in accordance with Social Security Act requirements and subsequently approved by the Department of Health and Human Services (HHS) before implementation. These State standards of assistance are reasonably equitable in determining the amounts of general assistance payments.

Welfare Assistance Grants-Regular ($81,404,000; FTE 0): There are two types of assistance that are available under the welfare assistance grants program to tribes and tribal members. They are: General Assistance and Child Welfare Assistance. A detailed description of each programs follows:

1. General Assistance ($66,663,000): The general assistance program consists of:

    a. Direct Financial Assistance ($57,581,000): This assistance is currently provided in 18 States to families and individuals to pay living expenses for those whose income is below State standards.

    The Bureau provides services in only those States not having a general assistance program available to meet the needs of Indians as defined in 25 CFR 20.21.

    b. Non-medical Institutional or Custodial Care ($4,890,000): This assistance is provided to disabled adults who are not eligible for care from Indian Health Service, Medicaid under Title XIX, SSI or any other county, State, or Federal programs. The vast majority of this type of assistance is provided in the State of Arizona because that state does not administer a Title XIX Medicaid program.

    c. Contracts with Tribes to Run Tribal Work Experience Programs (TWEP) ($2,838,000): About 4,300 tribal members who receive general assistance and who work on tribal projects under TWEP receive $55 per month for work-related costs over their welfare payments. Examples of work projects include: road repair, building maintenance, facility construction, and housing construction and repairs.

    d. Miscellaneous Assistance ($1,354,000): These funds are used to pay burial expenses of indigent Indians or those Indians whose survivors cannot afford funeral expenses. This fund has been used to help Indians meet costs resulting from natural disasters and related emergencies. Examples of how this money is used are: emergency subsistence and shelter in event of weather disasters, relocation and care of flood victims.

2. Child Welfare Assistance ($14,741,000): The child welfare assistance program provides for the care costs of abandoned, neglected, or handicapped children living in foster homes; private or tribal group care homes; or in residential settings designed to provide special care and programs for the handicapped. These payments are made directly or through contract to the provider and involve those states where the Bureau is authorized under 25 CFR 20.22(c) to have a program. These children are not eligible for care under any other county, State or Federal programs.

Solo Parent Program ($106,000; FTE 0): This special program is to provide partial funding of the Solo Parent programs at the Flandreau and Sherman off-reservation boarding schools. This is funded under the Social Services activity--Child Welfare Assistance program as a result of the FY 1984 Congressional directive.

Indian Child Welfare Act Grants (ICWA) ($8,820,000; FTE 0): P. L. 95-608 authorizes discretionary grants used by Indian tribes and organizations in conjunction with other State or tribal funding to establish and operate Indian child and family services programs. These grants are designed to maintain the integrity of Indian family life and thus avoid the unwarranted placement for adoption or foster care of Indian children. In prior years, approximately 160 tribes and Indian organizations operated such programs, which include:

1. Systems to license and regulate Indian foster homes and adoptive homes;
2. Facilities for counseling and treating Indian families and providing temporary custody of Indian children;
3. Programs to train parents on how to care for children in danger of neglect or abuse, and provide respite for parents in stressful situations;
4. Day care facilities;
5. Programs for after school care for high risk children, which emphasizes the cultural, academic, and social needs of children;
6. Programs to provide recreational activities;
7. Programs to provide training of tribal court personnel in the legalities of the Act and in the provision of quality court related, child welfare services;
8. Adoption subsidies which provide financial assistance to families for the maintenance or special care of an adoptive child, or for the completion of the adoption process;
9. Legal representation which includes providing counseling to families and consulting with tribes.

Workload Data:

Estimates of caseloads, unit costs and related funding increases provided below have their origin at the agency/reservation/tribal level. In compiling these estimates, the agency/reservation/tribal staff considered such factors as: past, current and projected caseload and unit cost trends; current and projected local employment opportunities; current and projected levels of State AFDC standards and State foster care/special care payment rates; possible natural disaster occurrences; and current and projected cost of obtaining basic living necessities (food, clothing, shelter, utilities). The tables which follow are a consolidation of total cases and expenses nationwide, based upon the information available, and are reflective of the situation at the time they were compiled. Some factors which could affect caseload data include natural disasters, upward or downward economic swings unique to certain reservations, and inflation factors affecting State standards.

I. Caseload

	1982	1983	1984	1985 est.	1986 est.	1987 est.	1986-1987 change
1. General Assistance (persons per month):	62,482	68,944	69,800	69,900	70,300	70,600	+ 300
a. TWEP participants	(4,167)	(4,167)	(4,300)	(4,300)	(4,300)	(4,300)	(--)
b. Institutional and Custodial Care	(725)	(800)	(823)	(883)	(983)	(983)	(--)
2. Child Welfare Assistance (persons per month)	3,145	2,615	3,000	3,000	3,000	2,936	-64
a. Foster home care (including family and small group care)	(1,875)	(1,399)	(1,800)	(1,800)	(1,800)	(1,736)	(-64)
b. Residential care for handicapped children	(1,270)	(1,216)	(1,200)	(1,200)	(1,200)	(1,200)	(--)
3. Miscellaneous Assistance							
a. Burials per year	1,323	1,950	1,950	1,950	1,950	1,900	-50

II. Average Benefits ($)

	1982	1983	1984	1985 est.	1986 est.	1987 est.	1986-1987 change
1. General Assistance - $ per person per month	74.85	71.68	93.22	74.44	78.40	82.46	+4.18
(TWEP - $ per participant per month)	(55.00)	(55.00)	(55.00)	(55.00)	(55.00)	(55.00)	---
2. Child Welfare Assistance $ per child per month	331.40	400.33	408.17	405.47	405.17	409.40	+ 3.93
3. Miscellaneous Assistance $ per burial per year	537.40	441.41	723.00	723.00	723.00	744.00	+21.00

III. Total Welfare Grant Costs by Type ($000)

	1982	1983	1984	1985 est.	1986 est.	1987 est.	1986-1987 change
1. General Assistance	56,143	62,311	67,190	66,431	66,663	70,490	+3,827
(TWEP)	(2,750)	(2,752)	(2,838)	(2,838)	(2,838)	(2,838)	---
2. Child Welfare Asst.	12,838	12,370	14,741	14,741	14,741	14,741	---
(Sole Parent Program)	---	---	(100)	(100)	(100)	(100)	---
3. Misc. Assistance*	1,070	875	1,414	1,414	---**	---**	---
Total	70,064	75,551	83,345	82,726	81,404	85,231	+3,827

* In addition to burial costs, this category of assistance has helped tribes to meet costs associated with natural disasters and related emergencies.

** Miscellaneous Assistance funds have been categorized and listed within the General Assistance component. The unit cost for both general assistance and miscellaneous assistance remains the same as shown above.

[illegible]

	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

Program	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

	[illegible]
[illegible]	[illegible]

Objective: Provide or assist in providing law enforcement services for: (A) The protection of life and property in Indian Country and reduction of incidents of crime which adversely affect the quality of life. (B) Development of methods and expertise to resolve conflicts and solve major crimes in Indian Country and through criminal justice remedial actions and rehabilitation reduce recidivism and adverse social effects. (C) Development of preventative and outreach programs which will enhance the public conception of law enforcement responsibilities, through training and development of needed public service skills. (D) Continued assessments and evaluations of individual program accomplishments in reducing crime in Indian Country. (E) Development and provision of levels of training to meet on-going needs of Bureau and tribal law enforcement.

Base Program ($2,595,000; FTE 33)

Area Office Operations ($532,000; FTE 13): The functions of the area law enforcement staff are to: (1) assist the Area Director in the management of law enforcement and detention programs on reservations within the jurisdiction of the area office; (2) investigate offenses on reservations in support of, or in lieu of, the responsible Federal agency or tribal law enforcement program investigators and (3) perform on-going program review of Bureau and tribally operated law enforcement programs within the area office's jurisdiction.

Central Office Operations ($1,668,000; FTE 20)

Central Office Staff ($462,000; FTE 7): The central office staff provides overall program management, including staff advice and analysis as required by Bureau line officers, regarding operations and policy for law enforcement and detention programs. In addition, the office is responsible for the management and operation of the Indian Criminal Justice Automated Data Information System; providing law enforcement programs with information on modern trends, new techniques, legislation court decisions and other items and providing reports and data system training. In 1984, 669,695 case incident records were received and processed. Non-automated data management and operational reports are processed on a monthly and annual basis. Special reports are also prepared and processed. The central office staff provides supervision and direction over three field operations: the Special Operations Services Unit; the Inspection and Evaluation Unit; and the Indian Police Academy.

(1) Special Operations Services Unit ($130,000; FTE 3): This is a three-position unit headquartered in Albuquerque, New Mexico, whose primary function is to provide a rapid response and backup to local police departments on reservations where there is a threat of and/or ongoing confrontation or disruption. The secondary function is to provide training to both Bureau and tribal law enforcement units, as well as to keep agency level staff trained on the most up-to-date methods and techniques used in controlling civil disorders. This unit procures and maintains special equipment necessary to handle any emergency situations.

An example of the successful application of this special unit is as follows: In January 1984, the Navajo Area requested assistance for the Fort Defiance Agency. A series of brutal crimes had caused public fear and unrest. Four uniformed police officers and two criminal investigators were detailed to the Navajo Area to assist. The results of intensified patrols, investigative activities and arrests, averted further civil disorder.

(2) Inspection & Evaluation Unit ($241,000; FTE 3): This small unit is headquartered at Albuquerque, New Mexico. The primary function is to conduct regular inspections and evaluations of area and local Bureau and contract law enforcement programs. Traditionally, 75% of the duties performed involve inspections and evaluations, while 25% of the work involves internal investigations. The percentages fluctuate with the number of reported incidents and requests received from various agencies.

The agencies and contracted programs are evaluated to determine compliance with policies and procedures established through the Bureau's law enforcement manual. Where necessary, corrective actions are prescribed which will bring the agency into compliance with this manual.

(3) Indian Police Academy ($835,000; FTE 7): The police academy is located at the Evergreen Air Center, Pinal Air Park, Marana, Arizona, and is responsible for providing on-site and outreach training in basic courses for police recruits, and specialized training courses for Bureau and tribal law enforcement officers.

Special Law Enforcement ($395,000; FTE 0): These funds are used to improve the quality of the law enforcement program. Specifically, they are used to meet unexpected law enforcement needs when they occur, e.g., when:

a. Judicial decisions award expanded Federal jurisdiction;

b. States return jurisdiction to the Secretary of the Interior;

c. Tribes retrocede law enforcement contracts; and

d. Augmentation of on-site personnel and equipment already in jurisdiction is required because confrontational or disruptive activities arise. This entails putting other agency personnel on special detail to the problem area. Their travel and per diem expenses are paid from this activity. The assisting officers are either detailed until the situation is resolved, or on an intermittent basis utilizing different officers for specified periods of time.

Such situations are often unforeseen and require immediate action. Recent special assignments have been to the Hoopa Agency where criminal investigators, as well as uniformed police officers, have been detailed on numerous occasions because of a fishery controversy. Other special assignments have responded to incidents such as the Navajo-Hopi relocation and land controversy, where police officers and criminal investigators were specially assigned to promote and maintain peace and protection. The Navajo Area requested special assistance in reaction to violent crimes committed against U.S. Public Health Service employees, which entailed special assignment of criminal investigators and uniformed police officers to assist the local law enforcement units. Within 48 hours, after very strenuous and concentrated investigative efforts by the detailed officers, an arrest was effected.

Another example of the application of these funds occurred at the Unitah and Ouray Agency which experienced considerable problems caused by retrocession of the law enforcement contract on very short notice. The Bureau, in order to maintain protection of the public, deployed Bureau officers to that agency. The Bureau was also responsible for re-establishing the office with appropriate personnel, equipment, supplies and materials, etc., through application of Special Law Enforcement funds.

Increase/Decrease from FY 1987 Base:

(dollars in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Operations	$	532	438	- 94
	(FTE)	(13)	(11)	(-2)
Detention Center Expansions	$	--	100	+100
	(FTE)	(--)	(--)	(--)
Special Law Enforcement	$	395	895	+500
	(FTE)	(--)	(12)	(+12)
Total	$	927	1,433	+506
	(FTE)	(13)	(23)	(+10)

Area Office Operations (-$94,000; FTE -2): This decrease is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in FY 1983 through FY 1986.

Detention Center Expansions (+$100,000; FTE 0): The Jobs Bill Appropriation provided the funding necessary to design, renovate and expand 14 detention centers which will now require additional equipment which could not be funded under appropriations from the Jobs Bill.

Special Law Enforcement (+$500,000; FTE +12): The Special Law Enforcement fund increase will permit the addition of 12 criminal investigators to assist various agencies with exceptionally high rates of criminal violations of the Indian Major Crimes Act, 18 U.S.C. 1153. They will focus on the development of major criminal cases for prosecution by the various U.S. Attorneys' offices. They will also supervise and assist other law enforcement officers to develop and present cases with professionalism and expertise, consistent with the criteria and guidelines for prosecution, thereby increasing the number and percentage of successful prosecutions in Indian Country.

Object Class Distribution - Law Enforcement Subactivity

	FTE	Amount
Total Personnel Compensation	+ 10	+$ 350,000
Personnel Benefits: Civilian		+ 35,000
Travel and Transportation of Persons		+ 30,000
Supplies and Materials		- 9,000
Equipment		+ 100,000
Total	+ 10	+$ 506,000

Justification of Program and Performance

Activity:	Indian Services
Subactivity:	Self-Determination Services

(dollars in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Training and Technical Assistance	$	3,512		1,581	1,855	+ 274
	(FTE)	(77)		(38)	(38)	(--)
B. Contract Support Undistributed	$	1,940		1,940	7,586	+5,646
	(FTE)	(--)		(--)	(--)	(--)
C. Small Tribes Core-Management	$	4,500		4,500	2,821	-1,679
	(FTE)	(--)		(--)	(--)	(--)
Total Requirements	$	9,952	9,524	8,021	12,262	+4,241
	(FTE)	(77)	(77)	(38)	(38)	(--)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp
Self-Determination Services	$	9,952	- 428	9,524

The P.L. 99-177 reduction will lessen the Bureau's efforts to upgrade its technical assistance delivery capabilities to meet the increased need resulting from the further growth in tribal contracting under P.L. 93-638. The reduction will decrease the actual provision of technical assistance; limit travel required for effective monitoring; and restrict attendance of Bureau field staff at training sessions.

A. Training and Technical Assistance

Area Office Operations	$	587	680	754	+ 74
	(FTE)	(18)	(18)	(18)	(--)
Central Office Operations	$	533	533	533	--
	(FTE)	(11)	(11)	(11)	(--)
TAAS	$	368	368	568	+200
	(FTE)	(9)	(9)	(9)	(--)
Tribe/Agency Operations	$	2,024	--	--	--
	(FTE)	(39)	(--)	(--)	(--)

Authorization: 25 U.S.C. 450, the Indian Self-Determination and Education Assistance Act is the basic authority under which the Secretary provides training and technical assistance to federally recognized tribes.

Objective: Training and technical assistance is provided as prescribed by P.L. 93-638 to assist tribes in assuming management of Bureau programs, services and functions through contracting under the Act.

Specifically, technical assistance is provided to (1) enable tribes to avoid or overcome declination issues related to contract applications and (2) ensure satisfactory performance of contract or grant requirements and to prevent suspension, termination or reassumption by the Bureau of contract programs or grants. Technical assistance is also provided to address urgent, one-time operational needs or problems of tribes. Program funding supports Bureau staff salaries and expenses necessary to administer the self-determination program at the field and central office levels.

Training is provided to tribal staff in such areas as financial management, personnel management, property control and other management systems. Training and orientation are also provided to newly elected tribal officials regarding tribal responsibilities and the procedures for taking advantage of opportunities offered under P.L. 93-638. In addition, Bureau staff receive training and orientation relative to the purpose of the Act and relevant regulatory provisions to ensure proper administration and oversight of contracts and grants.

Base Program ($1,581,000; FTE 38): Training and technical assistance is provided primarily by Bureau 638 coordinators. Assistance is also provided under cooperative agreements by other Federal and non-Federal staff such as Office of Personnel Management, Department of Agriculture and consulting firms expert in the areas of accounting, management, planning and program operations.

Area Office Operations ($680,000; FTE 18): Area offices provide assistance to tribes in the preparation of contract and grant proposals and during the negotiation and award period. Assistance is also provided to address contract and grant performance requirements and to meet special one-time tribal requirements such as the award of special contracts to Certified Public Accounting Firms for the purpose of auditing various tribally contracted programs. The technical assistance is tailored to meet the specific and/or unique needs of individual tribes and is provided to allow tribes to meet the requirements of basic legislation and pertinent regulations.

Training is also provided at the request of the tribes, on an as-needed basis, in such areas as the use of OMB Circulars (A-102 and A-87), and in subjects related to basic office management, financial management, forms preparation, personnel systems management, property management, and like subjects.

Central Office Operations ($533,000; FTE 11): The central office provides overall policy guidance, coordination, direction, and cohesion for Bureau and tribal initiatives involving contract support and grant functions associated with P.L. 93-638. The staff also identifies and defines problem areas, determines issues to be resolved, monitors implementation activities, recommends modifications to policies, procedures, guidelines, systems and structure required in order to be responsive to tribal initiatives.

Tribal and Administrative Accounting Services (TAAS)($368,000; FTE 9): TAAS staff provides technical assistance to tribes and tribal governments in the implementation and maintenance of support systems such as accounting, personnel, and property management. The staff performs functions which are programmatically aligned with those performed by the central office staff.

Workload Data: The training and technical assistance program provides funding for the Bureau staff responsible for the coordination of the Self-Determination activities including the Self-Determination grants, contract support and the training and technical assistance aspects of the program. Funding is provided for the agency, area and central office levels. Training and technical assistance is made available at the area and agency levels by Bureau staff generally designated as P.L. 93-638 Coordinators. Training and technical assistance, as stated above, is provided to some 480 tribes eligible for such assistance.

The staffing of a major or large Area Office funded by the technical assistance program is as follows:

Indian Self-Determination Specialist (638 Coordinator)	1 FTE
Secretary (Typing)	1 FTE
Self-Determination Specialists (Number of specialists dependent on tribal needs in Area)	3 to 5 FTE

The coordinators act as a focal point in assisting tribal contractors in the P.L. 93-638 contracting/grant process, dealing with the varied procedures involved in the application, review, negotiation, award and implementation of P.L. 93-638 contracts and grants. They provide a substantial part of the training and assistance requested by tribes in the interpretation and understanding of P.L. 93-638 regulations and assist tribes in addressing technical problems involved in program implementation. They also aid the tribes in identifying and securing assistance needed to overcome such operational difficulties. When the technical assistance requested is beyond the scope of what Bureau staff can provide, the 638 Coordinators aid the tribes in securing the needed assistance.

Specific Functional Activities

The P.L. 93-638 coordinator provides services to tribes and Bureau offices within the area on the following basis with the percent of time spent shown:

Coordination of P.L. 93-638 applications for contracting/grants; e.g., receipt, review, distribution, formulation of appropriate correspondence, interaction with tribal groups and Bureau program staff (non-P.L. 93-638). Ensuring the equitable distribution of contract support funds and proper use of self-determination grant funds at the tribal level	80%
Training Bureau staff in P.L. 93-638 policies and procedures on an areawide basis	5%
Training tribal groups and personnel in P.L. 93-638 policies and procedures on an areawide basis	10%
Assisting tribes and tribal organizations with difficulties encountered in the P.L. 93-638 process	5%

Secretarial assistance is required to provide the P.L. 93-638 coordinator with support in all of the activities listed above.

Additional training and technical assistance provided to the tribes includes the development of financial management, procurement, property management, personnel and recordkeeping systems. These systems have been developed by tribes and tribal organizations through unique contractual and/or grant agreements with the Bureau or through the use of outside contractors. Examples of these systems are:

$75,000	Hopi Tribe - Computerized Financial Management System
$ 5,000	Paiute Indian Tribe of Utah - Centralized Accounting System, Personnel System and related training activities.

Similar activities exist in each of the other area offices.

Increase from FY 1987 Base:

(dollars in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Operations	$ (FTE)	680 (18)	754 (18)	+ 74 (--)
TAAS	$ (FTE)	368 (9)	568 (9)	+200 (--)
Total	$ (FTE)	1,048 (27)	1,332 (27)	+274 (--)

Area Office Operations (+$74,000; FTE 0): This increase is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in FY 1983 through FY 1986.

Tribal Accounting and Administrative Services (TAAS) (+$200,000; FTE 0): The increase in funding will allow travel and per diem for the TAAS group, as well as for contract technical assistance required to manage the increased workload under P.L. 98-502, the Single Agency Audit Act. Approximately 350 Indian tribes currently contract for the operation of Bureau programs in an amount of approximately $260,000 under the authority of P.L. 93-638. The majority of tribes also receive grants or enter into contracts with other Federal agencies (IHS, ANA, HUD, etc.) for an amount exceeding the level of contracting with the Bureau. The Single Audit Act, P.L. 98-502, as implemented by OMB Circular A-128, requires state or local governments, including Indian tribes, to obtain audits on a scheduled basis and that sanctions be imposed when audit noted deficiencies are not corrected. The frequency of the audits is governed by the amount of funds the governmental unit receives.

The Bureau has determined that the impact of the Act on TAAS will be a substantial increase in requests for pre- and post-audit technical assistance. Based on a 1983 analysis of tribal management system weaknesses, the Bureau anticipates 250 to 275 requests for technical assistance from different Indian tribes. Approximately 120 requests were received in FY 1985, of which the Bureau has addressed 30 to date. In view of the sanctions suggested by the Act and in the Circular, technical assistance will assume increasing importance, and additional funds will be needed to provide such assistance in order for the Bureau to avoid having to reassume the operation of contracted programs from the tribes.

The requested increase will be used to initiate such things as (1) model accounting systems development; (2) examination and definition of specific technical assistance needs; (3) location of technical assistance sources outside the Bureau and arranging for access to such sources; and (4) administration of technical assistance contracts with professional firms or organizations (funds for such contracts to come from sources identified and accessed through TAAS).

Object Class Distribution - Training and Technical Assistance Program

	Amount
Travel and Transportation of Persons	+$ 140,000
Supplies and Materials	+ 134,000
Total	+$ 274,000

B. Contract Support

(dollars in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Contract Support (Undistributed)	$	1,940		1,940	7,586	+5,646
	(FTE)	(--)		(--)	(--)	(--)
Employee Displacement Cost	$	(200)		(200)	(200)	(--)
	(FTE)	(--)		(--)	(--)	(--)
Indirect Cost	$	(1,740)		(1,740)	(7,386)	(+5,646)
	(FTE)	(--)		(--)	(--)	(--)

Authorization: 25 U.S.C. 450, the Indian Self-Determination and Education Assistance Act, is the basic authority under which the Secretary provides services including Contract Support to federally recognized Indian tribes.

Objective: To pay tribes and/or tribal organizations for costs reflected in tribal contractor indirect cost rates or negotiated amounts for overhead/administrative costs incurred as a result of new contracts to operate Bureau programs, and to provide funding for costs such as severance pay and lump sum leave payments relative to displacement of Federal employees because of contracting with Indian tribes and/or tribal organizations.

Base Program ($1,940,000; FTE 0): The Bureau, in compliance with Congressional directives, transferred Contract Support Funds to program accounts in FY 1985 for continuation contracts using FY 1984 contracting experience.

An additional amount of funds was requested to cover contract support costs of new FY 1984 and FY 1985 contracts. The FY 1985 appropriations, resulting after the 2% reduction is applied, included a total of $37,032,000 in contract support funds under the various program activities and $1,466,000 in the Contract Support line item for new FY 84 and FY 85 contracts. Subsequently, a redistribution of the FY 1985 appropriations based upon FY 1984 contracting experience has resulted in $1,276,000 being distributed to the base for pre-1985 contracts with $190,000 remaining in the Contract Support line item for new FY 1985 contracts.

Workload Data:

Trends in Tribal Contracting Under P.L. 93-638 FY 1980 - FY 1987

Fiscal Year	No. of Tribal Contractors	No. of Contracts	Direct Program Dollar Volume of Contracts
1980	371 a/	1,292 a/	$204,000,000
1981	382 a/	1,265 a/	213,000,000
1982	295 b/	1,152	235,000,000
1983	302 c/	1,305	240,283,000
1984	334 c/	1,413	232,233,000 d/
1985	340	1,430	285,870,000 e/
1986 Estimate	343	1,445	280,000,000 f/
1987 Estimate	340	1,435	278,000,000 g/

a/ Includes approximately 100 Indian Action Team contracts subsequently combined into other programs or discontinued.

b/ Includes 14 Native organizations and 6 Johnson-O'Malley/ Education Committees in Alaska which represent 138 Native Villages.

c/ Includes 49 Native organizations in Alaska which serve approximately 220 Native Villages.

d/ The FY 1984 contracting level is less than previous years because of discontinuance of one-time Jobs Bill effects on FY 1983 ($37.1 million) and Ak Chin irrigation project on FY 1982 ($17.1 million).

e/ Includes $15,000,000 in construction contracts for which no CSF funds are provided. The project funds pay both direct and indirect costs.

f/ Includes the effects of eliminating $15,000,000 one-time only construction contracts; 1986 reduction to Johnson O'Malley (JOM) program (-$4,000,000 estimated); and estimated new contracts (+$13,000,000).

g/ Includes effects of transferring JOM program (-$15,000,000) and estimated new contracts (+$13,000,000).

Increase from FY 1987 Base:

Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
		(dollars in thousands)		
Contract Support Undistributed	$	1,940	7,586	+5,646
	(FTE)	(--)	(--)	(--)

Contract Support for New FY 1986 and 1987 Contracts (+$5,646,000; FTE 0): Fiscal Year 1985 marked the first year in which distribution of Contract Support Funds (CSF) for continuing contracts was made using a "grandfathering in" method. This calculation was a completely new procedure using the FY 1984 contracted program amounts and FY 1984 unadjusted indirect cost rates. The purpose of this procedure was to determine amounts of CSF to be added to the appropriate program accounts which would establish total base amounts for each contract to be used in future years. Analyses, compilation and calculations were necessary, involving over 1,400 separate contracts and related material. The amounts identified for pre-1985 and new contracts have been merged into direct program accounts.

Because of the complexities involved in determining the distribution of all available funding for FY 1985, adjustments will be required to correct the errors and omissions which resulted from the process. Of the $5,646,000 requested increase, $818,000 will be used to correct these errors and omissions for pre-FY 85 continuing contracts. Of the proposed increase $2,256,000 will be used to establish a 92.5% funding level for FY 1985 new contracts. The FY 1985 appropriation request for new FY 1985 contracts was an estimate based on a projected $5,000,000 of new contracts using a percentage rate of 15.5 percent; while actual new contracting was over $15,000,000. Funds for these contracts will be distributed as a one-time addition to program accounts and added to continuing contracts during the FY 1988 budget cycle and no additional contract support funds will be requested for such contracts in future years.

For FY 1986 and FY 1987, additional CSF requirements of $511,000 and $2,061,000 respectively are projected to cover CSF needs for each year. These projections are in line with our actual FY 1985 new contract activity which has increased at over $15,000,000. We believe that projecting new CSF needs using most current experience provides the most accurate data available. Accordingly, FY 1986 and FY 1987 projected new CSF needs reflect estimates using this approach.

In summary, the FY 1987 request for CSF is as follows:

	FY 1987 Base	FY 1987 Estimate	(+) Increase
Continuing pre-1985 contracts....	$ --	$ 818,000	+$ 818,000
New 1985 contracts................	190,000	2,446,000	+ 2,256,000
New 1986 contracts................	1,550,000	2,061,000	+ 511,000
New 1987 contracts................	--	2,061,000	+ 2,061,000
Employee Displacement Cost.......	200,000	200,000	--
TOTAL...........	$1,940,000	$7,586,000	+$5,646,000

Object Class Distribution - Contract Support Program

	Amount
Other Services..	+$5,646,000

C. Small Tribes Core Management

(dollars in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	FY 987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Small Tribes Core Management	$	4,500		4,500	2,821	-1,679
	(FTE)	(--)		(--)	(--)	(--)

Authorization: 25 U.S.C. 450 (The Indian Self-Determination and Education Assistance Act).

Objective: To provide small tribes (1,500 and less population) with core management capability to enable them to administer tribal affairs and programs in a competent and responsible manner. This program will supplement and complement existing self-determination grants and other management resources of a tribe to insure coordinated or integrated utilization of available resources to achieve the necessary tribal management capability.

Base Program ($4,500,000; FTE 0): Many small tribes have lacked sufficient financial resources to meet basic management needs because the level of funding for most Federal assistance grants is based on population size. The Small Tribes Core Management program, which started in FY 1983 with a $2,500,000 budget, expanded to $3,500,000 in FY 1984 and was increased to $5,000,000 in FY 1985, is intended to address this problem. Core management grants enable small tribes with limited resources to overcome specific problems associated with governmental operations and the administration of tribal and Federal programs, with particular emphasis placed on strengthening financial accountability. Through such support, this program has contributed to the stability of small tribal governments and has set a climate for community and economic development and other activities designed to reduce tribal dependency and promote small tribes' exercise of self-determination.

Status of Program: Approximately 80 of the 110 FY 1984 grantees were awarded renewal grants in FY 1985, thereby allowing additional tribes to participate in the program. During FY 1985, there were also 40 new tribal grantees. Under the maintenance level status of the program, we expect fewer new grantees but will make concerted efforts to provide first time grants to tribes which meet need criteria but lack the organizational capability and/or administrative personnel of current grantees. Most grantees cited multiple problems and needs, such as financial management problems and the need to improve program and tribal operations by hiring accountants/bookkeepers, administrative/management staff and support personnel. Reports from the 10 participating area offices indicate program grantees made satisfactory progress toward accomplishing their program purposes. Some small tribes made exceptional progress in accomplishing program objectives.

Area reports indicate that small tribes that lack funds for administration and receive very small self-determination grants, operate few or no programs and thus do not receive contract support or indirect cost funds. With no administrative staff, these tribes cannot establish the management or planning systems necessary to apply for contracts or grants. Core Management (CM) grants have filled this void and, as a consequence, generated considerable enthusiasm among leaders of small tribes and Bureau field staff. A majority of the recipient tribes made progress toward resolving financial management problems, developing management systems and/or addressing program operational deficiencies during the FY 1983 - FY 1985 program cycles.

A number of grantees accomplished exceptional results with relatively small grants in such administrative areas as establishing certified financial management systems, closing out contracts and grants, negotiating indirect cost rates, resolving audit problems, and improving program operations.

Overall program success in FY 1984 and FY 1985, according to area office monitoring/evaluation reports, was approximately 90 percent. That is, 9 out of 10 Core Management grantees made substantial progress in overcoming identifiable problems and/or improving their management/administrative capabilities.

Summary of FY 1985 Program Accomplishments: The data listed below covers approximately 60 percent of FY 1985 grantees based on monitoring and evaluation reports.

- Approximately 100 of 130 grantees have improved the administration and operation of all tribal programs.
- 95 of 130 grantees are considered to have been fully successful in performing grant objectives; the remaining grantees were partially successful or made progress toward their objectives.
- 146 contract and grant close outs, along with 75 audits, were accomplished in FY 1985.
- Most grantees developed personnel and property control systems in FY 1985.
- Tribal member employment has increased in excess of 215 new hires, not including core management staffing, as a result of achieving grant objectives, as reported by 64 grantees in FY 1985.

The FY 1986 program is largely a continuation of the FY 1984 - FY 1985 program. One hundred renewal and 30 new grants currently have been awarded in FY 1986. Tribes receiving renewal grants have solidified gains made in FY 1984 - FY 1985 and, in most instances, expanded on management improvement objectives for FY 1986. According to area monitoring and evaluation reports, small tribes made substantial progress toward improving program operations, as well as strengthening administrative functions and concentrating on grantsmanship.

Workload Data (estimated participation): The FY 1987 grants awarded under this program will require no additional Bureau staff; present agency and area office personnel will administer and monitor the program.

	Estimated Number	Estimated Avg. Cost	Estimated Total Cost
Small Tribe Consortium (Individual population of less than 400 persons)	14	$65,000	$ 910,000
Tribal Participants (Individual grants to tribes with populations 400 to 1,500 as well as tribes receiving grants under the exceptions @ $278.22)	116	$30,928	$3,590,000

Decrease from FY 1987 Base:

		(dollars in thousands)		
Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Small Tribes Core Management	$	4,500	2,821	-1,679
	(FTE)	(--)	(--)	(--)

Small Tribes Core Management (-$1,679,000; FTE 0): This decrease in funding to Small Tribes Core Management program reflects the Bureau's awarding of grants to small tribes at "maintenance" levels and the phase out of the program in the Juneau Area (-$679,000). The Juneau Area will rely on the self-determination grant program to assist Alaska Natives. Nationwide, the program is being phased down as envisioned with the introduction of the program. The Alaska reduction reflects discontinuation of a waiver from existing regulations which has permitted the use of part of these funds to assist corporations organized under the Alaska Native Claims Settlement Act. Native corporations will no longer be served by this program. The funding requested allows the Bureau to continue to operate the program for small tribes at the "maintenance" level, as the Core Management program is accomplishing its stated purpose in a cost-effective manner. The Bureau has determined that program participants have made exceptional progress toward the improvement of their management and operation of programs. Furthermore, many tribes are now entering contracts with the Bureau where they did not prior to the inception of the program and are also successfully applying for grants from other Federal agencies.

Under the proposed FY 1987 funding level, area offices may adjust the program by awarding fewer grants, reducing the level of individual grants, or a combination of reducing the number of grants, as well as the funding level of grants.

Object Class Distribution - Small Tribes Core Management Program

	Amount
Grants, Subsidies, and Contributions...........................	-$1,679,000

Justification of Program and Performance

Activity: Indian Services
Subactivity: Navajo-Hopi Settlement Program

(dollars in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Navajo-Hopi Settlement Program	$	2,931		2,931	2,931	---
	(FTE)	(63)		(63)	(63)	(--)
Total Requirements	$	2,931	2,805	2,931	2,931	---
	(FTE)	(63)	(63)	(63)	(63)	(--)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp
Navajo-Hopi Settlement Program	2,931	- 126	2,805

As a result of the P.L. 99-177 reduction, one range water development and water storage facility will be eliminated.

Authorization: The Act of December 22, 1974 (P.L. 93-531, 88 Stat. 1712), and the Act of July 8, 1980 (P.L. 96-305, 94 Stat. 929), (The Navajo-Hopi Settlement Act of 1974, as amended in 1980).

Objective: To carry out provisions of the above-cited Acts which require the Secretary of the Interior to protect the rights of relocatees, to reduce stock to carrying capacity, and restore the management and grazing capacity of rangelands lying within the former Navajo-Hopi Joint Use Area.

Base Program ($2,931,000; FTE 63): The initial stock reduction program of 160,000 sheep units has been completed on both the Navajo and Hopi Partitioned Lands. Most of the excess livestock now on Hopi Partitioned Lands (HPL) consists of livestock belonging to individuals involved in the court case Zee v. Watt, and trespass animals from outside the HPL. To keep the number of animals within the authorized carrying capacity, herd growth is limited. Trespass action is required on all livestock migrating into the area. Livestock control will continue in FY 1987. As a result of livestock reduction and range restoration of several areas on Hopi Partitioned Lands, the stocking rate has increased 145 percent over the 1973 stocking rate.

Range restoration and range development were initiated at a later date on Navajo Partitioned Lands. FY 1987 plans will emphasize range restoration, range development management units, and continued fencing of the exterior and interior boundaries. The Navajo Partitioned Lands Office is presently using existing funds to develop a livestock relocation plan to the newly acquired lands. The Navajo-Hopi Relocation Commission is coordinating the project to complete their overall plans for new lands.

The statute requires that all relocation activity be completed by July 6, 1986. However, there are still Navajo Indians to be relocated from Hopi land, although there are presently no Hopi Indians located on Navajo land. The FY 1986 appropriation language did not extend the July 6, 1986, deadline to relocate Navajos, but there is a stipulation that Navajos cannot be relocated until new housing is available. Sufficient new housing for all potential relocatees probably will not be available by July 6, 1986; therefore, as necessary grazing permits issued to eligible Navajo relocatees will be extended and the Hopi Partitioned Land Office will not be terminated until all Navajos are relocated. The rangeland restoration effort for Navajo and Hopi Partitioned Lands is only half completed because of court cases and decisions and operational problems in 1982 and 1983, and the relocation of Navajos. The FY 1987 funding level will provide for the partial completion of the restoration effort.

Activity Summary

(dollars in thousands)

Activity: Economic Development & Employment

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Employment Development	25,504	26,698	25,550	3,099	2,593	(506)
Business Enterprise Development	20,924	13,775	13,183	10,474	11,643	1,169
Road Maintenance	21,890	23,069	22,077	319	314	(5)
Economic Dev./Empl. Contract Support	2,684	0	0	0	0	0
Total	71,002	63,542	60,810	13,892	14,550	658

Justification of Program and Performance

Activity: Economic Development and Employment Programs
Subactivity: Employment Development
Element: Employment Assistance

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Direct Employment	$	4,624		378	393	+ 15
	(FTE)	(25)		(7)	(5)	(-2)
B. Adult Vocational Training	$	22,074		2,721	2,200	-521
	(FTE)	(71)		(2)	(2)	(--)
Total Requirements	$	26,698	25,550	3,099	2,593	-506
	(FTE)	(96)	(96)	(9)	(7)	(-2)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Employment Development	$	26,698	- 1,148	25,550

As a result of the P.L. 99-177 reduction, there will be a reduction in providing technical assistance to Employment Assistance Contractors at the tribe/agency levels. The Bureau may also reduce job placement services and vocational training efforts, thereby reducing the number of individuals served.

A. Direct Employment

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Area Office Operations	$	199		104	119	+ 15
	(FTE)	(4)		(4)	(2)	(-2)
Central Office Operations	$	175		175	175	--
	(FTE)	(3)		(3)	(3)	(--)
United Sioux Tribes Development Corporation	$	99		99	99	--
	(FTE)	(--)		(--)	(--)	(--)
Tribe/Agency Operations	$	4,151		--	--	--
	(FTE)	(18)		(--)	(--)	(--)

Authorization: Direct Employment - 42 Stat. 208.

Objective: To provide job placement assistance to Indians and Alaska Natives in order to promote economic self-sufficiency for tribal and Alaska Native people and their governments.

Base Program ($378,000; FTE 7): Direct Employment (Job Placement) services are provided to members of federally recognized Indian tribes. This program assists those Indians who have an employable skills and need employment. The end result is to assist individual Indians to find, based on their level of skills, suitable employment.

The program funds are used for personnel and support services for staff at the area and central office levels and for services performed under a contract.

Area Office Operations ($104,000; FTE 4): The staff is responsible for the development and operation of the Direct Employment (Job Placement) programs at the area level. This office provides technical assistance to tribes who are interested in contracting the program. They work closely with the agencies and tribes under their jurisdiction in the actual placement of program participants in training and employment.

Central Office Operations ($175,000; FTE 3): The central office staff provides overall planning, technical supervision, and evaluation of the Direct Employment programs. They are responsible for establishing program direction and policy, regulations, and procedures for administration of Bureau-wide operations. The central office also provides indepth expertise and advice to the BIA at a national level and to the Bureau's top administrators, and performs liaison with other agencies at the national level.

United Sioux Tribes Development Corporation ($99,000; FTE 0): USTDC provides job development in those fields of employment which permit the client to adopt a lifestyle consistent with his/her desires within the community as a whole. It also provides placement and follow-up services, including counseling services, which will enhance the client's opportunity to adjust in his/her new environment.

Increase from FY 1987 Base:

(dollars in thousands)

Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Area Office Operations	$	104	119	+ 15
	(FTE)	(4)	(2)	(-2)

Area Office Operations (+$15,000; FTE -2): This increase is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in overhead funding which were made in FY 1983 through FY 1986.

B. Adult Vocational Training

(dollars in thousands)

		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Area Office Operations	$	132		154	130	- 24
	(FTE)	(2)		(2)	(2)	(--)
Papago Tribe's Skill Center	$	142		--	--	--
	(FTE)	(--)		(--)	(--)	(--)
United Tribes Educational Technical Center	$	1,231		1,633	1,633	--
	(FTE)	(--)		(--)	(--)	(--)
Crownpoint Institute of Technology	$	497		497	--	- 497
	(FTE)	(--)		(--)	(--)	(--)
National Indian Ironworkers Training Program	$	437		437	437	--
	(FTE)	(--)		(--)	(--)	(--)
Tribe/Agency Operations	$	19,635		--	--	--
	(FTE)	(69)		(--)	(--)	(--)

Authorization: Adult Vocational Training - P.L. 84-959 (70 Stat. 986) as amended by P.L. 88-230 (77 Stat. 471; 25 U.S.C. 309).

Objective: To provide adult vocational training to Indians and Alaska Natives in order to promote economic self-sufficiency for tribal and Alaska Native people and their governments.

Base Program ($2,721,000; FTE 2): The adult vocational training program provides for vocational counseling or guidance, institutional training in any recognized vocation or trade, apprenticeship and on-the-job training.

Area Office Operations ($154,000; FTE 2): The area office is responsible for the development and operation of the Adult Vocational Training program and works closely with the agencies and tribes under its jurisdiction in the actual placement of program participants in training.

Central Office Operations ($0.0; FTE 0): The central office staff is funded from and shown under direct employment. The staff covers both programs. The staff provides overall planning, technical supervision, and evaluation of the AVT program. The staff also provides expert advice to management for policy, strategy, and decision making.

United Tribes Educational Technical Center ($1,633,000; FTE 0): The United Tribes Educational Technical Center under contract with the Bureau provides the Indian applicant an opportunity for training in one of eleven vocational skills area, plus job placement assistance upon completion of training. The Center, through counseling and testing, assists the applicants in making a career choice. This career choice, in most instances, is in line with the manpower and skills need of the applicant's tribe.

Crownpoint Institute of Technology ($497,000; FTE 0): This was a one-time grant to provide the Crownpoint Institute of Technology the opportunity to update the equipment used by the students for their vocational training, and to equip the library for full accreditation. Their institution offers 13 programs in vocational training to disadvantaged students living on or near the Navajo Reservation. It also provides job placement assistance upon completion of training. No funds are requested for FY 1987.

National Ironworkers Training Programs ($437,000; FTE 0): This program provides an opportunity for the Indian participants to learn the ironworker trade. The program conducts three 14 week classes each year, with approximately 40 trainees in each class. Trainees receive classroom and shop instruction. Each graduate trainee is credited with one full-year of work experience toward his/her three years of apprenticeship training. Upon completion of training, the trainees are placed with a union near their home area. Between 1982 and 1984, 282 trainees completed the program and were placed in employment. After one year of placement, 95 percent have retained their employment.

Workload Data:

Vocational Training Program	AVT Completions 1983 - 1985	% Placed in Employment	% Retained on-the-job After 1 Year*
National Ironworkers Training Program	347	90	95
United Tribes Educational Technical Center	480	90	85

* Does not include FY 1985 participants. This group has not been on-the-job for one year.

Increase/Decrease from FY 1987 Base:

(dollars in thousands)

Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Area Office Operations	$	154	130	- 24
	(FTE)	(2)	(2)	(--)
Crownpoint Institute of Technology	$	497	--	- 497
	(FTE)	(--)	(--)	(--)
Total	$	651	130	- 521
	(FTE)	(2)	(2)	(--)

Area Office Operations (-$24,000; FTE 0): This decrease is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in overhead funding which were made in FY 1983 through FY 1986.

Crownpoint Institute of Technology (-$497,000; FTE 0): This is a one-time grant to provide the Crownpoint Institue of Technology the opportunity to update the equipment used by the students for their vocational training, and to equip the library for full accreditation. Their institution offers 13 programs in vocational training to disadvantaged students living on or near the Navajo Reservation. It also provides job placement assistance upon completion of training.

Object Class Distribution - Employment Development Subactivity

	FTE	Amount
Total Personnel Compensation........................	- 2	- 45,000
Personnel Benefits..................................		- 5,000
Supplies and Materials..............................		+ 41,000
Grants, Contributions & Subsidies...................		- 497,000
Total..	- 2	-$506,000

Justification of Program and Performance

Activity:	Economic Development and Employment Programs
Subactivity:	Business Enterprise Development
Element:	Economic Development Grant Program

(Dollar amount in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Economic Development Grant Program	$	7,922		7,432	8,500	+ 1,068
	(FTE)	(--)		(--)	(--)	(--)
Total Requirements	$	7,922	7,582	7,432	8,500	+ 1,068
	(FTE)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Business Enterprise Development (EDGP) $	7,922	340	7,582

As a result of the P.L. 99-177 reduction, one tribal grant at an average cost of $225,000 and five individual grants at an average cost of $25,000 will not be made.

Authorization: 25 U.S.C. 1523 (The Indian Financing Act of 1974, as amended).

Objective: To provide conditional grants to Indian tribes and Indian individuals for the purpose of: (1) initiating business development of tribal resources; (2) encouraging non-Federal investment; (3) promoting sound business principles; (4) reducing tribal dependence on the Federal Government; and (5) promoting private sector development on reservations.

Base Program ($7,432,000; FTE 0): Many Indian reservations lack a private sector economy in that they do not have the industries, retail outlets, financial institutions (banks, savings and loans, etc.), or private sector employers common to non-Indian communities. This lack of a private sector economy has contributed significantly to the high unemployment rate and low per capita income plaguing Indian reservations. Past economic development efforts to promote sound business development on reservations have had only limited success.

Previous Indian economic development was subsidized almost totally with Federal funds, with little or no involvement of the private sector. Furthermore, tribal contributions, which encourage entrepreneurial skills and insure successful business ventures, were not applied. This was partially the case because tribes have traditionally had difficulty in obtaining loans from private investment sources because of: (1) the unique trust status of tribal resources, limiting their use as collateral; (2) the lack of equity capital; (3) prior commitments of tribal funds; and (4) questions relating to ability of outside lenders and investors to enforce security rights in tribal, Federal, or State courts.

Notwithstanding these impediments, Indian tribes are becoming increasingly aware of the potential of their assets in land holdings, water, energy resources, minerals, forestry, oil, and natural gas and are desirous of developing them. Tribes and individuals are also interested in expanding into non-resource based business opportunities. To assist in this development, grant funds are used to attract non-Federal investments for economic development projects on or near reservations. The Economic Development Grant program began in FY 1983, with a budget of $5 million, and was limited to tribes through FY 1985. In FY 1986 the program is being operated under the authority of the Indian Financing Act of 1974, and its 1984 amendments, and is open to individual Indian applicants as well. The major purposes of these Indian Business Development Grants are to: (a) provide equity capital for the establishment or expansion of locally chosen economic enterprises which generate income and employment opportunities for participating tribes; (b) serve as an inducement, when combined with a tribe's financial and other resources, to attract private sector investment capital for the development of a tribe's resources; and (c) reduce tribal dependence on the Federal Government over the long term through economic development projects which contribute to a stable private sector reservation economy.

Specific economic development activities to be financially assisted through this program are selected from proposals initiated and developed by Indian tribes or Indian individuals. Applications for Indian Business Development Grants are accepted only from tribes or individuals which are unable to meet their total financing needs from their own resources and/or by loans or equity investment from private, non-Federal sources. Tribes participating in this program must provide evidence of a stable tribal governmental structure ensuring continuity of the enterprise, through submission of records demonstrating fiscal responsibility and completion of a formal application. Indian individuals must also submit evidence of ability to effectively manage their businesses, such as business development plans, previous experience documentation, etc.

The role of Indian tribes in this program activity is: (1) to decide whether to seek development of their tribal resources and to determine the nature of the economic development suitable for their individual reservations; (2) to provide the basic services of local government; and (3) to foster an atmosphere of governmental stability that promotes confidence and attracts private sector capital. Individual Indians receiving grants are expected to create a positive influence on the economy of the reservation, in terms of jobs created or sustained, outside financing invested, and turnover of funds within the Indian community.

Credit and financing personnel handle the day-to-day oversight responsibility for approved grants. Agency credit officers are responsible for initial grant application review, with guidance, support and assistance provided by area offices. Agency superintendents monitor the program. Control at the central office level is administered through the Division of Financial Assistance in the Office of Indian Services. In FY 1983, FY 1984, and FY 1985, approximately 5% of the available funds were used for: (1) costs related to management and technical assistance contracts awarded to provide assistance for grantees to develop proposals; and (2) costs incurred by a review panel of business representatives from the private sector who performed impartial evaluations of grant proposals. The review panel ranks the applications, makes an analysis of feasibility, and lists specific needs for technical assistance. These funds are proposed for transfer to the credit and financing portion of the budget to cover technical assistance requirements under the Indian Financing Act.

Workload Data and Estimated Participation: Area Office credit personnel administer and monitor individual projects in their respective areas. Currently, at the central office, two staff members have overall responsibility for the grant program. Grant applications from individual Indians will significantly increase workloads of Bureau field staffs. Estimates for FY 1987 are as follows:

	Number	Estimated Total Cost
Economic Development Grants	130	$7,432,000

At an average cost of about $225,000, at least 16 grants out of an estimated 50 applications will be awarded to tribes in FY 1986, and 150 grants out of an estimated 300 applications will be awarded to individuals at an average cost of $25,000. Based on the amount of private sector financing attracted by present projects, the Bureau anticipates that the $7.4 million program will result in an additional $30 to $40 million in private capital investment in Indian economies.

	FY 1984 Grants	FY 1985 Grants
Number of applications received	30	34
Amount requested	$ 9,337,074	$ 10,587,942
Total project amounts	$ 63,235,554	$107,659,856
Number actual grants funded	16	16
Total amount awarded	$ 4,686,588	$ 4,715,020
Total project amounts	$ 26,604,347	$ 55,999,309

The number of applications for grants from tribes fell below the projected number during the first part of FY 1985. On this basis the Bureau requested a reprogramming of funds from this activity which was approved by Congress. However, in August 1985, eight additional grant requests, totaling over $3.5 million, were received indicating a demand for the program more in line with original estimates. Seven of these grant applications were carried over to FY 1986.

In FY 1986, $2.4 million will be allotted initially to the areas for individual grants. To date, all 12 areas are reporting high demands for applications, indicating the probability that funds will be obligated early in the fiscal year. Additionally, the total demand for individual grants is also anticipated to be significant. Adjustments to area allotments will be made during the year, based on demand and need for individual grants.

Increase from FY 1987 Base:

(dollars in thousands)

		FY 1987 Base	FY 1987 Estimate	+/- Difference
Economic Development Grant Program	$	7,432	8,500	+ 1,068
	(FTE)	(--)	(--)	(--)

Economic Development Grant Program (+$1,068,000; FTE 0): This increase in funding will allow the Bureau to make three tribal grants at an average cost of $225,000 and 16 individual grants at an average cost of $25,000.

Object Class Distribution - Economic Development Grant Program

	Amount
Grants, Subsidies, and Contributions..............................	+$1,068,000

Justification of Program and Performance

Activity: Economic Development and Employment Programs
Subactivity: Business Enterprise Development
Element: Credit and Financing

(Dollar amounts in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Credit and Financing	$	4,970		2,159	2,260	+ 101
	(FTE)	(99)		(33)	(36)	(+3)
Total Requirements	$	4,970	4,756	2,159	2,260	+ 101
	(FTE)	(99)	(99)	(33)	(36)	(+3)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Business Enterprise Development (C&F)	$	4,970	214	4,756

As a result of the P.L. 99-177 reduction, services to loan clientele will be reduced, cancellation of travel will be effected, and filling of all but the most critical vacancies will be delayed. Adjustments to accommodate the reduction in the area of loan servicing may cause delinquencies to rise. Processing of loan and grant applications may also be delayed due to staff shortages and increased workload.

Credit and Financing

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Area Office Operations	$	863		863	964	+ 101
	(FTE)	(22)		(22)	(25)	(+3)
Central Office Operations	$	600		600	600	--
	(FTE)	(11)		(11)	(11)	(--)
Technical Assistance	$	206		696	696	--
	(FTE)	(--)		(--)	(--)	(--)
Tribe/Agency Operations	$	3,301		--	--	--
	(FTE)	(66)		(--)	(--)	(--)

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921).

Objective: To assist federally recognized Indian tribes, Indian organizations, Alaska Natives and individual Indians in developing and utilizing their resources to improve their economies through: (1) direct loans from the Revolving Fund for Loans; (2) guaranteed loans from the Loan Guaranty and Insurance Fund; and (3) assistance in obtaining financing from economic development program grants and other government and private sources.

Base Program ($2,159,000; FTE 33): The majority of Indian reservations are economically depressed resulting in unemployment and lack of business. Indian reservations have not enjoyed the same opportunities for economic development as surrounding communities. Since Indian land is held in trust by the United States Government, Indian tribes cannot mortgage their trust land as security for loans. Also, because of the lack of State jurisdiction over most reservations and problems encountered with tribal court systems, private lenders are discouraged from making loans on reservations. To help alleviate this situation, the Congress has enacted legislation to provide financial assistance.

The 1934 Indian Reorganization Act is the earliest legislation enacted for this purpose. Two of the main provisions provided for: (1) Indian tribes to be organized as tribal governments; and (2) tribal governments to be allowed to become federally chartered business corporations. Other legislation has been enacted, the latest of which is the Indian Financing Act of 1974 and its 1984 amendments. Other programs authorized by Congress which are utilized to the greatest extent possible by both tribes and individual Indians are those administered by the Small Business Administration and the Farmers Home Administration.

Area Office Operations ($863,000; FTE 22): The area offices, in coordination with the central office, oversee the general operations of the Revolving Fund for Loans, Loan Guaranty program, and Indian Business Development Program grants. Some of the area offices perform the functions of the agency offices where agency-level credit staff does not exist. These offices make, monitor, and collect the loans made under the loan programs. Direct loans to tribes up to $250,000 and individual loans up to $100,000 are approved at the area office level. All business development grants to individuals are approved at the area level. Also, area credit office personnel are usually responsible for the monitoring of P.L. 93-638 credit programs which have been contracted at the agency level, and offer guidance and assistance to those agencies with credit program officers.

Central Office Operations ($600,000; FTE 11): The central office provides overall policy guidance, coordination, and supervision of lending/grant programs which are administered under the Indian Financing Act of 1984, including the Revolving Loan Fund, Indian Business Development Grants, and Guaranteed and Insured Loans. All direct tribal loans over $250,000 and individual loans over $100,000, guaranteed loans, and tribal business development grants are approved at the central office level. The central office also provides technical assistance designed to aid Indians in obtaining adequate capital for development of Indian resources. This includes assistance to obtain funds from conventional and government sources to finance Indian economic self-development, including loans for housing, education and Indian governmental purposes, and in the wise investments and use of their own monies for the same purposes. The staff negotiates subsidy provisions; performs financial counseling and analysis; and provides organizational, accounting, and management services. Further information on the operation of programs is contained in the Revolving Fund for Loans and Indian Loan Guaranty and Insurance Fund portion of the budget justification.

Technical Assistance ($696,000; FTE 0): This program is to fund Buy-Indian contracts for services to tribes requiring help in developing business ventures which qualify for assistance under the Indian Financing Act. The $490,000 transferred from the Economic Development Grant Program is used to assist potential and actual grantees in assessing their grant proposals, to finance travel relating to grant projects, and to fund private sector review of grant proposals in accordance with the Indian Financing Act and amendments.

Increase from FY 1987 Base:

		(dollars in thousands)		
Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Area Office Operations	$	863	964	+ 101
	(FTE)	(22)	(25)	(+3)

Area Office Operations (+$101,000; FTE +3): This increase in funding and FTE is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate funding decisions made in FY 1983 through FY 1986. The major portion of the increase will be distributed to Billings Area which will receive $70,000 and additional two FTE and Eastern Area which will receive $17,000 and one additional FTE.

Object Class Distribution - Credit and Financing Program

	FTE	Amount
Total Personnel Compensation	+ 3	+$ 75,000
Personnel Benefits (Civilian)		+ 8,000
Travel and Transportation of Persons		+ 6,000
Transportation of Things		+ 10,000
Supplies and Materials		+ 2,000
Total	+ 3	+$101,000

Justification of Program and Performance

Activity: Economic Development and Employment Programs
Subactivity: Business Enterprise Development
Element: Indian Arts and Crafts Board

(Dollar amounts in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimated	Inc. (+) Dec. (-) from Base
Indian Arts and Crafts Board	$	883		883	883	---
	(FTE)	(16)		(16)	(16)	(--)
Total Requirements	$	883	845	883	883	---
	(FTE)	(16)	(16)	(16)	(16)	(--)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Business Enterprise Development (IACB)	$	883	-38	845

As a result of the P.L. 99-177 reduction, purchases of American Indian artwork will be deferred, and travel for on-site consultation with Native museums will be reduced.

Authorization: P.L. 74-355 (25 U.S.C. 305), which created the Indian Arts and Crafts Board and specifies its powers.

Objective: To promote the development of Native American arts and crafts--the creative work of Indian, Eskimo, and Aleut people in order to improve the economic status of Native Americans, to ensure the continuing vitality of a valuable American heritage, and to:

(1) increase Native American participation and control in the growing Native American fine arts and handicrafts business;

(2) enable Native Americans to realize the full potential for employment and income from the demand for their creative work; and

(3) assist Native American cultural leaders who are developing an institutional framework to support the preservation and evolution of tribal cultural activities.

Base Program ($883,000; FTE 16): The Board is a unique arts agency whose activities are not duplicated in either the Federal or private sectors. It is the only Federal agency that is consistently and exclusively concerned with responding to the cultural needs of Native American people. The Board's policies are determined by its five commissioners, who serve without compensation. A professional staff is employed to carry out Board responsibilities. For administrative convenience, funds for Board expenses and staff are in the Bureau of Indian Affairs budget.

The Board provides business and personal professional advice, information, and promotion to Native American artists and craftsmen and their organizations. As an integral part of its professional services, the Board operates a coordinated system of three regional museums located in reservation areas.

These three museums are the Southern Plains Indian Museum, Anadarko, Oklahoma; the Sioux Indian Museum, Rapid City, South Dakota; and the Museum of the Plains Indian, Browning, Montana. The museums are cultural focal points for residents of the area; are primary vehicles for the delivery of services; and function as staging points for regional and national promotions.

Annual sales of Native American arts and handicrafts total several hundred million dollars, but Native American interests currently control only a small portion of this market. To support and expand those interests in FY 1987, the Board will promote Native American arts and crafts primarily through:

- over 200 Native-owned and operated craft marketing enterprises (an increase of 35% during the past three years);

- a consumer directory that is an established marketing link between these Native craft enterprises and the more than 100,000 consumers annually who request it;

- approximately 30 one-person sales exhibitions in the Board's museums;

- several group sales exhibitions of outstanding contemporary Native art work presented in the Board's museums and at other institutions through cooperative arrangements; and

- concentrated management advice to some 100 developing Native museums.

The Board focuses its efforts on those activities that most directly benefit Native American artists and craftsmen; however, it will continue to assist the National Endowment for the Arts, the Institute of Museum Services, the U.S. Information Agency, other government agencies, and the general public, who are substantial ancillary beneficiaries of the Board's information and museum activities. The Board answers over 10,000 written and telephone inquiries annually from the public.

Justification of Program and Performance

Activity: Economic Development and Employment Programs
Subactivity: Road Maintenance

(dollars in thousands)

Program Element		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Road Maintenance	$	23,069		319	314	- 5
	(FTE)	(388)		(2)	(2)	(--)
Total Requirements	$	23,069	22,077	319	314	- 5
	(FTE)	(388)	(388)	(2)	(2)	(--)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Road Maintenance	$	23,069	- 992	22,077

The major impact of P.L. 99-177 reductions will be in Tribe/Agency funds, which cover actual road maintenance activities Bureau-wide. The Bureau's 27 agencies currently with low maintenance priorities may have to reconsider these maintenance efforts in order to continue to meet requirements of the Federal Highway Trust Fund for Construction authority. Adjustments will be made where necessary within the program to assure minimal maintenance in the spring, summer and fall.

Road Maintenance

Area Office Operations	$	54		54	49	- 5
	(FTE)	(1)		(1)	(1)	(--)
Central Office Operations	$	51		51	51	--
	(FTE)	(1)		(1)	(1)	(--)
Road "Sealing"	$	214		214	214	--
	(FTE)	(--)		(--)	(--)	(--)
Tribe/Agency Operations	$	22,750		--	--	--
	(FTE)	(386)		(--)	(--)	(--)

Authorization: 25 U.S.C. 318a, authorizes "material, equipment, supervision and engineering . . . in . . . maintenance of Indian reservation roads. . . ."

Objective: To repair and maintain 23,000 miles of public roads serving Indian reservations in order to promote safety and convenience for reservation residents, with particular emphasis on school bus routes and arterial highways. To protect the Government investment by preventing or repairing damage by rain and wind on 18,000 miles of roads on the Bureau system which were graded and surfaced under the Road Construction Program. To plan, schedule and provide maintenance repairs and service in accordance with the standards of the American Association of State Highway and Transportation Officials (AASHTO). To perform maintenance repairs and service in such a manner as to protect the environment of the reservation, adjacent lands, individual Indian lands, and to prevent premature failure of asphalt pavements constructed with Highway Trust Funds.

Base Program ($319,000; FTE 2): Priorities and funding levels for road maintenance are set by tribal governments in consultation with Bureau administrators and engineers. Consideration is given to degree of use, public safety and convenience. On improved roads, an additional consideration is the preservation of the Government's investment in construction, since inadequate maintenance accelerates deterioration and increases road reconstruction costs. The replacement cost for approximately 18,000 miles of improved roads on the Bureau system is estimated to exceed $2 billion.

Area Office Operations ($54,000; FTE 1): Staff in area offices advise and assist agency road maintenance forces in repairing and maintaining 23,000 miles of public roads serving Indian reservations, with particular emphasis on school bus routes and arterial highways. Since it has been determined that these are activities directly related to agency operations, area personnel performing these functions are instructed to charge to the appropriate agency program.

Central Office Operations ($51,000; FTE 1): Provides salary and expenses for a Maintenance Engineer who performs the tasks of updating BIA manuals and instructional materials for use by the Agencies; reviews Agency programs for compliance with regulations and policy; and compiles information for use of administrators in policy making and budget justification.

Road "Sealing" ($214,000; FTE 0): Provides funds to those reservations needing to seal roads constructed with Highway Trust Funds (HTF) since FY 1983. The Surface Transportation Assistance Act of 1982 requires Federal Highway Administration (FHWA) disapproval of construction projects in jurisdictions failing properly to maintain HTF constructed roads. Formerly funded as "construction" in Interior budgets prior to FY 1983, road sealing is now defined as "maintenance" by FHWA and is ineligible for HTF. Interior funded pavements must either be sealed with agency maintenance funds, allowed to return to a gravel surface or reconstructed using HTF funds.

Decrease from FY 1987 Base:

Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
		(dollars in thousands)		
Area Office Operations	$	54	49	- 5
	(FTE)	(1)	(1)	(--)

Area Office Operations (-$5,000; FTE 0): This decrease is a direct result of the application of the Indian Priority System (IPS). The IPS allows the Area Directors to establish program funding levels and to rank, in order of priority, program packages. In FY 1985, FY 1986, and FY 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in FY 1983 through FY 1986.

Object Class Distribution - Road Maintenance Program

	Amount
Supplies and Materials..	-$ 5,000

Activity Summary

(dollars in thousands)

Activity: Natural Resources Development

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Forestry & Agriculture	99,477	101,997	97,612	31,161	19,712	(11,449)
Minerals & Mining, Irrigation & Power	20,830	17,529	16,775	15,781	15,328	(453)
Natural Resources Dev. Contract Support	4,612	0	0	0	0	0
Rescission (Sec. 2901)	(818)	0	0	0	0	0
Total	124,101	119,526	114,387	46,942	35,040	(11,902)

Justification of Program and Performance

Activity: Natural Resources Development
Subactivity: Forestry and Agriculture

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Natural Resources, General	$	2,407		1,291	1,570	+279
	(FTE)	(5)		(5)	(5)	(--)
B. Agriculture	$	29,223 *		8,935 *	2,819	-6,116
	(FTE)	(35)		(35)	(36)	(+1)
C. Forestry	$	33,801		10,283	6,061	-4,222
	(FTE)	(438)		(265)	(265)	(--)
D. Water Resources	$	10,783		1,965	465	-1,500
	(FTE)	(--)		(--)	(--)	(--)
E. Wildlife and Parks	$	25,783		8,687	8,797	+110
	(FTE)	(43)		(43)	(43)	(--)
Total Requirements	$	101,997 *	97,612 *	31,161	19,712	-11,449
	(FTE)	(521)	(--)	(348)	(349)	(+1)

Gramm-Rudman-Hollings Impact

		FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Forestry & Agriculture	$	96,033 *	$ -4,129	$ 91,904
Emergency Hay Relief	$	5,965	- 256	5,708
Total	$	101,997	$ -4,385	$ 97,612

The result of P.L. 99-177 reductions would be in providing less effective program review and oversight for all programs in the Forestry and Agriculture subactivity; reduce 638 contracting with tribes; delay the procurement of essential supplies and equipment resulting in lower production levels and decreasing tribal employment/economies; and scheduled maintenance and repairs would be severely hindered at all of the tribal fish hatcheries.

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* Includes Emergency Hay relief.

A. Natural Resources, General

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Area Office Operations:	$ (FTE)	243 (5)	243 (5)	274 (5)	+31 (--)
Field Operations:					
Indian Integrated Resources Information Program	$ (FTE)	1,048 (--)	1,048 (--)	1,296 (--)	+248 (--)
Tribe/Agency Operations:	$ (FTE)	1,116 (6)	-- (5)	-- (5)	-- (--)

Objective: To provide direction and support in the planning and management of renewable natural resources for those operations which span multi-resource disciplines in order to protect, inventory, manage, and develop Indian natural resources and to implement a systems approach to planning and management, using spatial data analysis, remote sensing, and automated cartography on 53 million acres of Indian lands held in trust by the United States.

Base Program ($1,291,000; FTE 5):

Area Office Operations ($243,000; FTE 5): This program provides funding for multidisciplinary activities not readily identified with one particular natural resource program. Assistant Area Directors, at some areas, who may direct several natural resources functions, are included in this program.

Indian Integrated Resources Information Program (IIRIP $1,048,000; FTE 0): The Bureau has the responsibility to provide assistance in the management of Indian natural resources covering large land areas. An integral portion of this responsibility requires awareness of the resources which are available on these lands, to plan for their development, management and protection. The resources involved are water, wildlife, fish, agriculture, forestry, grazing and minerals. The Office of Trust Responsibilities (OTR) has initiated a Geographic Information System (GIS) that will acquire available data of different dates, location, accessibility, scale and other factors. The GIS will compile and analyze these data for use by the various programs responsible for the management of resources listed.

The funds are being utilized for data-base development on 33 reservations in the Aberdeen, Albuquerque, Billings, Phoenix and Portland Areas; providing GIS coordination; and training programs for tribe, agency, and area office personnel. These efforts will result in the development of at least seven data categories which will support all the OTR programs in integrated resource planning and development and will aid in obtaining the benefits of improved resources management, increased income and employment. Additional data categories will be added to the data-base as the BIA becomes more proficient in use of the GIS approach.

The increasing size and complexity characterizing the modern resource management organization has made the classical managerial functions of planning, organizing, and controlling more difficult to execute. The GIS approach provides the basic essentials for accommodating the complexity of resource management. The concept of IIRIP uses spatial data analysis, remote sensing and existing BIA tabular data systems to provide a systematic approach to natural resources planning and management on Indian lands.

Workload Data: Results of actions supported by funding from Natural Resources, General are included under the appropriate Sub-Activity, i.e., Agriculture, Forestry, Water Resources, Wildlife and Parks, etc. Workload data includes assistance in establishing policy, regulations, and procedures; developing budget and financial planning; providing advice and counsel to tribes; and supporting, directing and overseeing administrative matters affecting Natural Resource programs.

The IIRIP provides Bureau and tribal resources managers accurate and timely information on the extent, distribution and quality of natural resources, to use in making realistic and effective resource management decisions. The program provides a working tool on a day-to-day basis for coordination of land productivity, capability, and ecological status and can be used to solve a single resource management problem, or to develop a total reservation plan. It provides a data base common to all resource managers, allowing them to integrate a variety of data from different sources.

Current uses of the program include: forest management planning at Hoopa; fisheries management planning at Tulalip; range management, land appraisal and lease payout at Fort Berthold; irrigation planning at Lower Brule and Crow Creek; wildlife management at the Bureau's interagency fire center at Boise; total reservation planning at Hopi; transportation road atlas updating, nationwide; and support of water negotiations, nationwide.

The following Areas currently have digital data bases in development: Portland (26); Albuquerque (4); Phoenix (9); Billings (2); Aberdeen (4); Sacramento (3); Minneapolis (1); and Navajo has made a commitment to development of a GIS program that is consistent with IIRIP.

There are presently available approximately 1,400 topographic maps (7.5 minute quadrangles) covering 53,000,000 acres of trust lands. It has been determined that these quadrangles at a scale of 1:24,000 are best suited for project level planning. Thematic data is being digitized at USFWS, BLM, USGS and BIA facilities. These thematic map layers consist of public land survey, hydrography, transportation, cultural features, ownership status, vegetation (timber type or range type), soil type and topography. Presently, 379 quadrangles have been completed with an additional 136 quadrangles to be completed in FY 1985, 150 in FY 1986, and 240 in FY 1987.

Increase from FY 1987 Base: (Dollar amounts in thousands)

		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Direct	$	243	274	+31
Operations:	(FTE)	(5)	(5)	(--)
Indian Integrated Resources	$	1,048	1,296	+ 248
Information Program	(FTE)	(--)	(--)	(--)
Total	$			+ 279

Area Office Direct Operations (+$31,000; FTE 0): All increases/decreases at Area Offices are the direct result of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank program packages in order of priority.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in fiscal years 1983, 1984, 1985 and 1986.

Indian Integrated Resources Information Program (+$248,000; FTE 0): The estimated distribution of the increase of $248,000 is as follows:

$ 141,000	...... Data base construction of additional quadrangles.
10,000	...... Training of resource personnel (Foresters, range conservationists, realty specialists, etc.).
52,000	...... Completion of a regional-wide data base,
45,000	...... Applications development.
$ 248,000	

The increase, together with the $500,000 of funds requested in ADP Services for equipment, will permit the completion of an additional 90 quadrangles, training of 70 resource personnel (i.e., agency foresters, range conservationists, realty specialists, etc.) and provide for a more complete national level data base to be used for policy direction and management of the Bureau resources. This increase in data base development will bring 100 reservations on line, with automated data bases for the day-to-day planning and management of the trust resources. These automated data bases will also provide the inputs into total reservation planning needed for economic development of the reservation. These data bases on a regional/national scale will assist in determining what percentages of total. The Indian resource base has for such national issues as timber supply, energy/ mineral reserves, range and forage production, and agriculture production.

The program can be used to show actual land use versus proposed land uses. Archeological finds can be superimposed over a proposed resource management opportunities map for mitigating archeological impacts. The program provides habitat typing for wildlife management; can show reservation insect infestation and changes over time; and can provide information on fire occurrence, density, slope, and vegetative types in fire management. It is used in range management, woodland inventory, and for mapping of resources potential.

The variety and accessability of services that this program can provide to all resource programs of the Bureau impact on improving trustee management to the benefit of all bureau offices and all tribes. These accomplishments can be managed at this level of funding for only a few years, after which the funding can be reduced to a maintenance level to continue staff services and ongoing operations.

If the program is held at this proposed level, the rigorous initial activities of obtaining equipment and providing training can be accomplished in approximately four years, after which the program funding could be reduced by half, and those funds redirected to other Bureau programs.

The Bureau currently utilizes cooperative and interagency agreements to accomplish GIS and remote sensing activities, with FWS, USGS, and BLM; and participates with other DOI agencies and committees, coordinating to assure a unified/standardized system throughout, and a mechanism for data transfer. The program provides assistance Bureauwide in the protection and management of Indian natural resources and encourages greater opportunity for tribes to develop their reservation economies.

B. Agriculture

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Area Office	$	1,140	1,174	1,136	-38
Operations:	(FTE)	(30)	(30)	(31)	(+1)
Central Office	$	297	297	297	--
Operations:	(FTE)	(5)	(5)	(5)	(--)
Field Operations:					
Prairie Dog	$	1,500	1,500	1,386	-114
Control	(FTE)	(--)	(--)	(--)	(--)
Emergency Hay	$	5,964	5,964	--	-5,964
Relief	(FTE)	(--)	(--)	(--)	(--)
Tribe/Agency	$	20,322	--	--	--
Operations:	(FTE)	(441)	(--)	(--)	(--)

Objective: To protect, conserve, restore, improve and enhance the agronomic and range resource values of Indian lands; preserve the land in a perpetually productive state to ensure continuous production; develop the renewable resources to provide income and employment to Indians; regulate water runoff and minimize soil erosion; preserve and develop other values, such as wildlife and recreation; provide technical assistance to Indian farmers and ranchers; and assist Indian landowners in leasing their farmland and rangeland for the highest economic return, consistent with prudent management and conservation practices.

Base Program ($8,935,000; FTE 35): The Agriculture and Range program provides technical assistance of a kind that will encourage and motivate increased use of agricultural resources by Indians and bring about improved management activities. Multiple-use program planning and technical assistance are designed to: protect the renewable natural resources against erosion and soil deterioration; restore eroded and depleted areas; stabilize runoff and protect sediment on land areas; improve cover with adapted crop species on farmland, forest, pasture and rangeland; and retain water for farm and ranch use and water management. These accomplishments can only be made through implementation of modern inventory and management techniques designed to interpret and determine potential for present and future use of the resources.

The Bureau's basic Agriculture and Range program has not changed appreciably over the past 30 years. However, tribal goals and objectives have changed on many reservations. To identify current tribal goals and objectives, the Bureau proposes to review agriculture program policy, identify problem areas and propose policy changes to enhance delivery of services to tribes, landowners and land users.

Within the Bureau, management of agronomic and range resources is decentralized, with professional staff located at 11 Area Offices and 76 Agency Offices in 26 States, providing technical assistance to 284 Indian reservations encompassing over 52 million acres. Agriculture and Range staff also provide technical assistance, support and resources to develop and implement the wildlife and parks program on the reservations. The staff initiates environmental reviews for trust lands, except forested land, and reviews all environmental assessments completed by other agencies.

Central Office Operations ($297,000; FTE 5): The Central Office provides staff assistance and advice to the Director, Office of Trust Responsibilities in matters relating to establishment of program standards, policy and procedures for the Bureauwide Agriculture and Range programs which include: agriculture, range, and soil and moisture conservation. This staff provides advice for all activities related to the planning, management, conservation, development and utilization of the Indians' soil, water, and rangeland resources; administers the Bureau's pesticide, herbicide and animal damage control program on Indian lands; and directs the Bureau's flood plains management program. They maintain liaison and close working relations with other Federal agencies, and Area and Agency officials on matters affecting Indian renewable natural resources. These staff also provide budget planning and development for all of these activities as well as assistance to Area Office staff in carrying out oversight and program review functions for the Assistant Secretary-Indian Affairs.

Area Office Operations ($1,174,000; FTE 30): The Area Offices are responsible for implementing policy and procedures for the Agriculture and Range programs. Program staff provide assistance and advice to the Area Director on matters relating to planning, management, conservation, development and utilization of Indian soil, water and rangeland resources; administer pesticide programs on Indian lands and direct the flood plains management program. Technical assistance is provided for establishing and overseeing grants or contracts under P.L. 93-638.

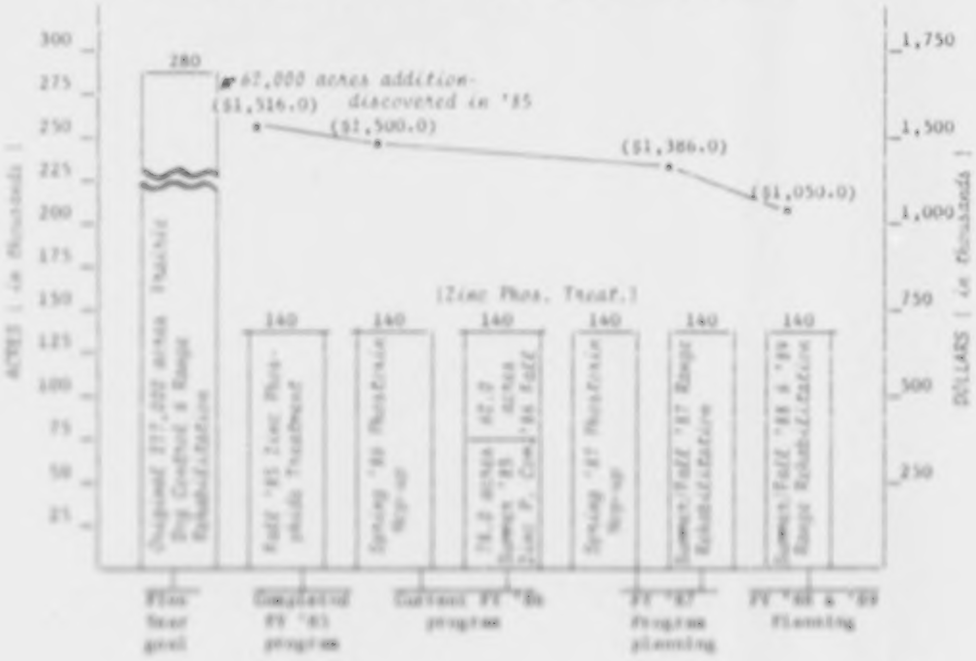
Field Operations ($7,464,000; FTE 0):

Prairie Dog Control ($1,500,000; FTE 0): A Five-Year Plan was initiated in FY 1985 to control prairie dogs on the Pine Ridge Indian Reservation, as stipulated by the U.S. Federal Court for the District of South Dakota (Civil No. 80-5070). The plan calls for a combination of prairie dog control and range rehabilitation. During FY 1986, the prairie dog control program on the Pine Ridge Indian Reservation will result in treatment of an additional 140,000 acres. The program will include range restoration and rehabilitation of land previously treated in 1985. The FY 1987 program will involve the use of the best available technology to improve soil and water retention in areas cleared of prairie dogs, in preparation for range rehabilitation and improvement.

In FY 1987, the Prairie Dog Control program will be in the consolidation phase of the five-year plan, which began in FY 1985. FY 1987 funds will be spent for control purposes ($1,230,000), plus $156,000 for the initial phase of range rehabilitation. This phase will involve the application of zinc phosphide bait on the remaining 62,000 acres of the infested acres and a mop-up program in areas cleared of prairie dogs in FY 1985 and FY 1986. The treatment will conclude the reservation-wide control effort, and begin the range restoration or "maintenance phase" of the five-year plan.

The following chart illustrates the status of the prairie dog control program on the Pine Ridge reservation.

STATUS OF THE PRAIRIE DOG CONTROL PROGRAM, PINE RIDGE RESERV.



—January '86

Emergency Hay Relief ($5,964,000; FTE 0): This appropriation was included in Public Law 99-190 enacted December 19, 1985. The funds were used for the purchase and transportation of hay fur Indian subsistence livestock in Montana, North Dakota and South Dakota. The Act provided for specific deadlines and conditions, and a report to be submitted to Congress by September 1, 1986. All available funds were obligated by January 18, 1986, and are to be expended by March 15. It is anticipated that an initial report to be received by February 5, 1986, with weekly status reports to be submitted thereafter, will maintain effective and complete monitoring of the funds for the intended purpose.

Decrease from 1987 Base:

(Dollar amounts in thousands)

Program

B. Agriculture		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Operations:	$ (FTE)	1,174 (30)	1,136 (31)	-38 (+1)
Prairie Dog Control	$ (FTE)	1,500 (--)	1,386 (--)	-114 (--)
Emergency Hay Relief	$ (FTE)	5,964 (--)	-- (--)	-5,964 (--)
Total	$ (FTE)			6,116 (+1)

Area Office Operations (-$38,000; FTE +1): All increases/decreases at Area Offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages. In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in Fiscal Years 1983, 1984, 1985 and 1986.

Prairie Dog Control (-$114,000; FTE 0): The funding decrease in Prairie Dog Control is the result of completing the active control poisoning effort and the reduced cost of mopping-up in those areas.

Emergency Hay Relief (-$5,964,000; FTE 0): The emergency hay relief funding was a one-time program in FY 1986.

C. Forestry and Fire Suppression Equipment

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(+) From Base
Area Office Operations:	$	1,268	1,725	1,668	-57
	(FTE)	(19)	(41)	(41)	(--)
Central Office Operations:	$	649	1,193	1,193	--
	(FTE)	(22)	(27)	(27)	(--)
Field Operations:					
Forest Development	$	8,150	5,750	2,000	-3,750
	(FTE)	(--)	(--)	(--)	(--)
Timber Sale Administration	$	5,700	--	--	--
	(FTE)	(200)	(--)	(--)	(--)
Forest Invent./Plans	$	1,200	1,200	1,200	--
	(FTE)	(--)	(--)	(--)	(--)
Fire Suppression Equipment	$	415	415	--	-415
	(FTE)	(--)	(--)	(--)	(--)
Fire Suppression	$	--	--	--	--
	(FTE)	(197)	(197)	(197)	(--)
Tribe/Agency Operations:	$	16,419	--	--	--
	(FTE)	(461)	(--)	(--)	(--)

Authorization: The Federal Government has a trust responsibility to provide forest management under the principles of sustained yield and to protect Indian forest lands. This trust responsibility is stated in treaties with individual tribes, and in Federal legislation, particularly 25 U.S.C. 406 and 407 (The Act of June 25, 1910); 25 U.S.C. 466 (The Indian Reorganization Act of June 18, 1934); and 18 U.S.C. 1853, 1855 and 1856. It has been reiterated and supported by numerous legal decisions from Federal courts, up to and including the Supreme Court.

Objective: The principal objective of the forestry program is to maximize forest productivity (increase board foot growth per acre, per year) to sustained yield levels through state-of-the-art forest management practices to achieve the resulting benefit of returning to the Indian owners maximum income and employment from the utilization of their forest resources.

Base Program ($10,283,000; FTE 265):

Area Office Operations ($1,725,000; FTE 41): Execution of the forestry program involves the planning and scheduling of Area-wide forestry activities, exercise of program oversight to ensure that regulatory and policy requirements are followed, and that technical standards of sound forest management are upheld. In carrying out the technical and administrative activities of the forestry program, active working relationships are maintained with other governmental and private organizations concerned with forestry problems of mutual interest.

Technical functions include the formulation and implementation of policies for the activities of appraisal and sale of timber, preparation and revision of multi-use management plans for the forest land base, forest inventories and subsequent analysis of inventory data, forest improvement projects and forest protection.

Central Office Operations ($1,193,000; FTE 27): The function and role of the Forestry program is to protect and develop the forest resources of Indian trust property. In areas of program administration, procedures, delegations of authority and manual directives controlling the Bureau's forestry operations are developed, reviewed and kept current. Legislation is prepared and reports on legislation are drafted to facilitate management of Indian forest resources. Staff assistance is provided in preparing budget justifications and backup information for Congressional appropriations and other hearings.

In carrying out the technical and administrative activities of the forestry program, active working relationships are maintained with other governmental and private organizations concerned with forestry problems of mutual interest. These funds include support for the Forestry Intern Program, oversight and management of the aviation program, and forest and range fire protection and suppression efforts.

Field Operations ($7,365,000; FTE 197):

Forest Development ($5,750,000; FTE 0): Funds are allocated and monitored by the Central Office, through the Area Offices, and are expended on Indian forest land as silvicultural treatments or other forest development practices, primarily by means of tribal contracting mechanisms. The Forest Development Program includes all activities of reforestation and timber stand improvement necessary to properly manage the commercial Indian forest for sustained yield of desired forest products. Activities conducted in this program are: site preparations, seed/cone collection, planting, greenhouse operations, protection of young forest stands, pre-commercial thinning, fertilization, weeding, release, and species conversion. These activities include all the scheduled periodic silvicultural treatments applied to a forest to bring a forest to commercial size quality. Through intensive forest development practices, allowable annual cuts may be increased, and improved forest products may be presented for sale, bringing higher profits to the individual Indians and tribal landowners.

Forest Inventories/Plans ($1,200,000; FTE 0): These funds are to implement a portion of a plan for completion of backlogged inventories and plans. Funds are allocated and monitored by the Central Office, through the Area Offices, and are expended on inventory projects according to the priority schedules set by the December 31, 1983, "Status of Inventories and Needs Assessment." That report is a schedule for completion of forest information segments which, when combined with social, economic and historical factors and considerations of the tribes, builds a forest management plan for the reservation. These segments encompass aerial photography, mapping, field forest management inventories, re-inventories, growth studies, allowable annual cut calculations, and all aspects of the development, preparation and/or revision of multiple-use forest management plans, including inventory analysis, environmental assessment and forest history.

Fire Suppression Equipment ($415,000; FTE 0): These funds will be used to update and replace unsafe and inefficient equipment, standardize equipment and develop an orderly replacement schedule. In accordance with the priority schedule, unsafe and inefficient equipment was proposed for replacement in FY 1986, in the Billings, Phoenix, and Minneapolis Areas.

Fire Suppression ($000; FTE 197): The funding for these FTE are transferred from no-year funds from within the Department and/or Bureau. FY 1987 is the actual year these FTE will be used.

Workload Data: There is an inter-relationship between all forestry program activities so that banded and non-banded workloads cannot be precisely delineated. Workload is generally categorized as follows:

		Estimate FY 1985	Estimate FY 1986
Allowable annual cut	(MBM)	1,020,000	1,020,000
Reforestation completed	(acres)	20,000	17,000
Timber Stand Improvement completed	(acres)	40,000	34,000
Volume of timber harvested	(MBM)	660,000	660,000
Value of timber harvested	($)	48,000,000	50,000,000
Timber sales volume offered	(MBM)	800,000	700,000
Timber sales contracts supervised	(No.)*	200	200
Forest products permits issued	(No.)*	6,000	6,000
Forest and range area protected	(acres)	59,314,800	59,314,800
Number of fires suppressed (calendar-year figures)	(No.)	3,250	3,250
Acres burned - forest/non-forest		70,000	70,000
Employment generated (direct, indirect and induced)	(MY)	9,900	9,900
Employment generated income	($)	163,000,000	163,000,000
Timber Cruises for Appraisal purposes	(No.)	315	315
Forest Inventories and Plans **		9	7.5

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* Previously, all sales and permits were reported. This shows those on which there is or may be current activity. SOURCE: FY 1983 Annual Forestry Report.

** These are estimated inventory and planning segments that will be accomplished during the year, such as field inventory, mapping, management planning, histories, etc. (See Figure B for additional details).

Increase from FY 1987 Base: (Dollar amounts in thousands)

Program C. Forestry		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Operations:	$	1,725	1,668	-57
	(FTE)	(41)	(41)	(--)
Forest Development	$	5,750	2,000	-3,750
	(FTE)	(--)	(--)	(--)
Fire Suppression Equipment	$	415	--	-415
	(FTE)	(197)	(197)	(--)
Total	$	7,890	3,668	-4,222
	(FTE)	(238)	(238)	(--)

Area Office Operations (-$57,000; FTE 0): All increases/decreases at Area Offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the significant reductions in funding which were made in Fiscal Years 1983, 1984, 1985 and 1986.

Forest Development (-$3,750,000; FTE 0): The reduction in funding will have the near term effect of reducing field capability (contracting and employment) in thinning and reforestation. This will proportionately extend the target date to eliminate the forest development backlog of record at the beginning of the program in FY 1977. However, considerable funding for forest development is budgeted under the Tribe/Agency Operations program.

Fire Suppression/Capitalized Equipment (-$415,000; FTE 0): In lieu of these funds proposed in FY 1986 for the orderly replacement of unsafe and inefficient equipment, the Bureau will continue the procedures of the past, i.e., replacing equipment as rapidly as resources may permit within the funds available in the regular Tribe/Agency Forestry program.

D. Water Resources

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) From Base
Central Office Operations:	$	465	465	465	--
	(FTE)	(--)	(--)	(--)	(--)
Field Operations:					
Water Mgmt. & Development	$	8,753	1,500	--	-1,500
	(FTE)	(--)	(--)	(--)	(--)
Tribe/Agency Operations:	$	1,565	--	--	--
	(FTE)	(6)	(--)	(--)	(--)

Objectives: The objectives of the Water Resources program are to conduct technical studies on Indian reservations for the purposes of assisting tribes in developing comprehensive guides for the orderly development of water resources; and to assist Indians in conserving, developing and using their water resources.

Base Program ($1,965,000; FTE 0):

Central Office Operations ($465,000; FTE 0): Provides the Bureau, Department, and Tribes with analyses and evaluations of water resource studies and managerial services in water planning. Emphasis is on policy initiatives, dealing with funding allocations, establishment of reporting systems, maintaining liaison and coordination with other segments of the Department and with other federal agencies, proposing regulations and procedures for operation of the programs, and development of contract specifications and memorandums of agreement, as appropriate, in advancement of the program.

Water Management and Development ($1,500,000; FTE 0): In 1978, in response to the perceived need to find a more efficient way to address the explosive growth in conflicts involving Indian water rights, a plan to review Indian water claims was initiated; it was completed in 1980. Under the plan, initial efforts were to obtain information and identify both present and future water requirements of Indian tribes necessary to ensure the maintenance of permanent and productive tribal homelands. A primary purpose of this plan was to prepare Indian tribes for water claims settlements. The plan also envisioned the use of the information collected to be used for water development and management purposes.

This activity allows tribes to engage in functions necessary to develop and put tribal water to beneficial use. These functions may be contractible under PL 93-638 and might include, for example, further development of agricultural or stock water ponds; monitoring water quality or instream flows, etc.

Indian tribes engaged in water policy implementation activities would utilize the information and data collected under the aforementioned plans as a basis for further development and management of tribal water resources.

The successful implementation of the Water Resources Program is dependent, in large measure, on the ability of the professional staff to produce and enforce analytical guidelines of fixed criteria of reservation water plans, to monitor contractor performance, assure active consultation with tribes, and to review and approve final products. It is anticipated that six water development plans may be completed with these funds in FY 1986.

(The FY 1987 program reflects the transfer of the water claims resolution portion of the former Water Policy Implementation program, to a new line item in the Rights Protection Activity, entitled Water Rights Negotiation/Litigation.)

Decrease from FY 1987 Base:

Field Operations:		FY 1987 Base	FY 1987 Estimate	Difference
Water Management & Development	$ (FTE)	1,500 (--)	-- (--)	-1,500 (--)

Water Management and Development (-$1,500,000; FTE 0): The major portion of this program was transferred to the new, combined Water Rights Negotiation/Litigation program in the Indian Rights Protection part of the budget. A balance of $1.5 million, intended for water planning and development use by tribes as anticipated in the original Water Policy/Implementation Plan, is in the FY 1987 Base program. The $1.5 million has been deleted in FY 1987 because of non-availability of funds for developing active water use and therefore no immediate need for water development planning funds.

E. Wildlife and Parks

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Central Office Operations:	$	445	445	445	--
	(FTE)	(2)	(2)	(2)	(--)
Field Operations:					
Special Fish Mgmt. Programs	$	12,895	6,123	6,303	+180
	(FTE)	(--)	(--)	(--)	(--)
Fish Hatchery Operations	$	4,711	347	--	-347
	(FTE)	(--)	(--)	(--)	(--)
Former USFWS Hatcheries	$	453	--	--	--
	(FTE)	(41)	(--)	(--)	(--)
Other Fish and Wildlife Mgmt.	$	2,860	710	710	--
	(FTE)	(--)	(--)	(--)	(--)
FWS Technical Assistance	$	--	1,062	1,339	+277
	(FTE)	(--)	(41)	(41)	(--)
Tribe/Agency Operations:	$	4,419	--	--	--
	(FTE)	(16)	(--)	(--)	(--)

Authorization: Treaties between Indian tribes and the Federal Government, protected by Article VI of the U.S. Constitution, form the foundation of the Federal Government's trust responsibility for protecting treaty rights, including the right to utilize fish and wildlife resources. Through numerous court interpretations of Indian treaties, e.g., U.S. v. Oregon, U.S. v. Washington, and Lac Courte Oreilles v. Voight, tribes are obligated or mandated to take various actions necessary for the management, conservation and enhancement of fish and wildlife resources.

The Snyder Act of 1921 (42 Stat. 208; 25 U.S.C. 13), as broadened by the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.) and the Indian Self Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450), provide basic authority for the Secretary of the Interior to provide services to federally-recognized Indian tribes. Other authorities include the negotiated settlement of the U.S. v. Michigan case (Entry of Consent Order M26-73-CA' 1985), the U.S.-Canada Pacific Salmon Treaty Act of 1985 (99 Stat. 7; P.L. 99-5), the Alaska National Interest Lands Conservation Act of 1980 (16 U.S.C. 3101; 94 Stat. 2371), the American Indian Religious Freedom Act of 1978 (45 U.D.C. 1946), the Anadromous Fish Conservation Act of 1965 (16 U.S.C. 757; 79 Stat. 1125), the Bald Eagle Act of 1940 (16 U.S.C. 668; 54 Stat. 250), the Black Bass Act of 1926 (16 U.S.C. 851; 44 Stat. 576), the Endangered Species Act (16 U.S.C. 1531; 87 Stat. 884), the Fish and Wildlife Coordination Act of 1934 (16 U.S.C. 661;

48 Stat. 401), the Fishery Conservation and Management Act of 1976 (16 U.S.C. 1801; 90 Stat. 3310), the Great Lakes Fishery Act of 1956 (16 U.S.C. 931; 70 Stat. 242), the Lacey Act of 1900 (16 U.S.C. 701; 31 Stat. 187; 32 Stat. 285), the Marine Mammal Protection Act of 1972 (16 U.S.C. 1361; 86 Stat. 1027), the Migratory Bird Conservation Act of 1929 (16 U.S.C. 715; 45 Stat. 1222), the National Environmental Policy Act of 1969 (42 U.S.C. 4321; 83 Stat. 852), the Pacific Northwest Electric Power Planning and Conservation Act of 1980 (16 U.S.C. 839), and the Salmon and Steelhead Conservation Act of 1980 (16 U.S.C. 3301; 94 Stat. 3275).

Objectives:

The goal of the Fish, Wildlife and Recreation Program is to fulfill and execute the Federal Government's trust responsibility relating to fish, wildlife and recreational resources that are important to the sustenance, cultural enrichment and economic support of Indians, including protection of Indian hunting and fishing rights, and the conservation, development and utilization of these resources for the maximum benefit of Indians, now and in the future. This goal is addressed by focusing program resources in four primary areas:

- Protection of hunting, fishing, and gathering rights guaranteed to federally-recognized tribes by the United States through treaty, statute or Executive Order, including providing for the fulfillment of tribal co-management responsibilities associated with the exercise of such rights.
- Development of full tribal capability in the management of fish, wildlife and recreational resource programs through tribal contracting.
- Development and maintenance of a dynamic administrative environment which assures that fish, wildlife and recreational resource programs are conducted effectively, efficiently, and in compliance with established objectives, laws, regulations, court decisions, and other directives.
- Support for technical fish and wildlife assistance and fish stocking services to tribes which have not yet developed full capability for assuming responsibilities associated with such programs.

Base Program ($8,687,000; FTE 43): Most of the more than 53 million acres of trust land in the United States represents suitable habitat, supporting diverse ecosystems and a multitude of fish, wildlife and recreational resources. Resource programs on these reservations contribute significantly toward meeting national demands for hunting, fishing and outdoor recreation, in threatened and endangered species recovery efforts, and in conserving other important fish, game, and non-game species. Fish and wildlife resources also serve as a base for sustenance, cultural enrichment and economic development for many tribes, and assist in maintaining tribal social structures and stability by providing gainful and meaningful employment in desirable and traditional occupations throughout the year. Moreover, several tribes rely on taxes collected from fishermen and income generated from recreational development programs to support tribal governmental operations. Improper management of fish and wildlife resources, both on and off-reservation, could impair not only the resources themselves, to the detriment of all users, but the functioning of tribal societies and governments.

Since the mid-1950's, fish and wildlife resource programs have been established on approximately 125 Indian reservations, primarily by FWS. Some have expanded through accelerated development of tribal capabilities. Many, however, especially fisheries programs on inland reservations, have been terminated since the mid-1970's. The Bureau's Fish, Wildlife and Recreation program began in the mid-1970's in response to these decisions and as a result of various landmark treaty hunting and fishing rights decisions which granted comanagement status to tribes in addressing complex, inter-jurisdictional resource issues of national and international significance.

Currently-funded programs provide for valuable and diverse fishing, hunting and outdoor recreation opportunities throughout the Country, accounting for millions of recreational use days annually. Tribal fish hatcheries account for approximately 25 percent of the steelhead and 17 percent of the salmon propagated in western Washington, and result in the production of tens of millions of walleye annually in the Great Lakes states. Species listed as threatened or endangered which receive management assistance include the bald eagle, grizzly bear, black-footed ferret, Lahontan cutthroat trout, cui-ui lakesucker and peregrine falcon.

The Bureau has six professional biologists assigned to the program, two of whom are located in the Central Office. Tribal programs contracted through the Bureau, provide for most of the on-the-ground work. The Central Office provides contracting officers and other Bureau personnel with technical advice essential to effective administration and monitoring of the many fish and wildlife management program activities.

Central Office Staff Operations ($445,000; FTE 2): Professional personnel in the Central Office are responsible for establishing program goals, objectives, policies, strategies, and procedures necessary for effective and efficient program administration. They coordinate program planning, assist in budget formulation and execution processes, propose systems for the effective delivery of program services, establish evaluating procedures and serve in a program oversight capacity. Central Office staff also coordinate program responsibilities among area offices, agencies, tribes and inter-tribal organizations, analyze policy and legislation, prepare briefings and issue papers, respond to information inquiries, conduct special projects, perform internal control reviews of potential waste, fraud and abuse, and provide expertise and advice to the Bureau's executive managers. Finally, they perform liaison with other Federal and State agencies, participate in national and international meetings and negotiations, and assist in the overall management of the trust responsibilities.

Field Operations ($8,242,000; FTE 41):

(Changes have been made in the composition of items within this listing, as well as in Wildlife and Parks in the Natural Resources Development subactivity, and Hunting and Fishing Rights in the Trust Responsibilities subactivity.)

I. Special Fish and Wildlife Management programs ($6,123,000; FTE 0): A number of court cases decided in favor of Indian treaty hunting and fishing rights in recent years have resulted in increased attention toward nationally and internationally significant fish and wildlife resources in ceded off-reservation areas, typically falling under the jurisdiction of a variety of management entities, and serving the needs of a variety of interest groups. Under stringent management standards prescribed by the Federal Courts, these resources, and the Indians' right to utilize them, are protected through complex inter-jurisdictional programs aimed at assessing stock abundance and allowable harvests on an annual basis, and the population dynamics and stock/recruitment parameters of important stocks.

This program assists four inter-tribal organizations (Northwest Indian Fisheries Commission, Columbia River Intertribal Fish Commission, Great Lakes Indian Fish and Wildlife Commission, and Chippewa-Ottawa Treaty Fishery Management Authority) and their member tribes in the Pacific Northwest and the Great Lakes states, involved in important treaty hunting and fishing rights co-management activities. These inter-tribal bodies represent effective and efficient mechanisms for serving member tribes in complex treaty rights negotiations and implementation programs, involving complex inter-jurisdictional resources. It also assists the terminated Klamath Tribe in Oregon in the protection of treaty hunting, fishing and gathering rights.

A. Western Washington Fisheries Management ($1,050,000; FTE 0): The Boldt Decision of 1974 in U.S. v. Washington reaffirmed that Stevens Treaty tribes in the State of Washington hold a valid treaty right to fish in all of their usual and accustomed places, and upheld the position that the affected tribal governments must participate in the management of resources involved. This decision prompted the establishment of the Northwest Indian Fisheries Commission (NWIFC) in 1974 by the treaty fishing tribes of western Washington to develop and coordinate sound resource management programs.

The NWIFC is directed by Commissioners who represent all treaty tribes in the case area. $805,000 of this amount is used to coordinate the efforts of tribal biologists, hatchery personnel, computer specialists and managers in formulating harvest management, population assessment, stock enhancement and data gathering programs. The NWIFC serves as spokesman for the member tribes on fishing issues and has authority to represent them before state and Federal agencies. The united inter-tribal voice facilitated through the NWIFC and the joint management plans and programs which result, promote effective co-management of the complex inter-jurisdictional resources involved.

$245,000 of this amount is to allow the Jamestown-Klallam Tribe to develop their resource management capabilities required in support of their treaty fishing rights. The Jamestown-Klallam was a "new tribe" and had not been party to U.S. v. Washington and thus, had not been permitted to exercise treaty fishing rights to the extent of the Case tribes.

B. Columbia River Fisheries Management ($1,454,000; FTE 0): In U.S. v. Oregon (1969 and subsequent supplemental decisions), Judge Belloni reaffirmed the rights of the four Columbia River Basin treaty tribes (Yakima, Umatilla, Warm Springs and Nez Perce) to a fair share of the fisheries resources. The decision resulted, in 1977, in a court approved five-year management and allocation agreement between the parties, and in the creation of the Columbia River Inter-tribal Fish Commission (CRITFC) to serve as a coordinating body for the four tribes. The BIA contracts with CRITFC to fulfill tribal responsibilities and obligations in the management and enforcement of tribal fisheries, and in the overall protection, development, and management of the Columbia River fisheries while working cooperatively with the States and the Department of the Interior. The CRITFC is pursuing an active policy and technical role in the management of the Columbia River System. Substantial co-management of the fisheries resource is required by Federal Court order and Federal law through a multi-State, inter-tribal and Federal agency network. Maintenance of tribal fishery programs allows the Tribes and the States to jointly manage and regulate Indian and non-Indian fisheries within the Columbia River basin.

The CRITFC staff of hydrologists, biologists, policy analysts, law enforcement officers, and administrative personnel promotes a "gravel-to-gravel" management philosophy for salmon and steelhead, requiring management involvement through the entire life cycle of the fish. Extensive efforts are directed toward rebuilding upriver runs that have been depleted by overharvest, habitat degradation, and hydropower and flood control development. The CRITFC coordinates with operators of the 13 mainstream Columbia/Snake River dams to facilitate upstream and downstream fish passage, and has been designated coordinator for the tribes in implementing the Water Budget Program. The CRITFC Enforcement Program employs a full-time staff of 15 patrol officers and dispatchers to enforce tribal fishing regulations.

C. Voigt Case Area Management ($1,374,000; FTE 0): In 1982, six bands of the Lake Superior Chippewas not involved in the U.S. v. Michigan case, but with commercial fishing rights on the Great Lakes, formed the Great Lakes Indian Fish Commission. After the Seventh Circuit Court of Appeals reaffirmed reserved rights of several bands of Lake Superior Chippewas to hunt, fish, trap and gather on public lands and waters ceded to the United States under the Treaties of 1837 and 1842 (Lac Courte Oreilles v. Voigt, 1983), the "Voigt" tribes, in 1984, joined with the Great Lakes Indian Fisheries Commission, forming the Great Lakes Indian Fish and Wildlife Commission (GLIFWC). The GLIFWC provides an inter-tribal mechanism for implementing the Voigt decision through the securing of technical biological expertise, the development of sound natural resource management plans, the development of hunting and fishing regulations, and the strengthening of the tribal enforcement capability and court system. The Commission also affords member tribes the opportunity to negotiate with the States of Michigan, Minnesota, and Wisconsin, in co-managing fish and wildlife resources as a unified entity. By sharing the expertise available, the Commission provides substantial improvement in the overall efficiency of the tribes to manage and regulate the use of fisheries resources of the Great Lakes, and of inland fish and wildlife resources of the Great Lakes states.

Member tribes must identify resources, provide biological services, enforce codes, have the capacity to develop, promulgate and apply tribal off-reservation hunting and fishing regulations, and train personnel to provide effective enforcement in the field and through tribal court systems.

D. Klamath Conservation Program ($145,000; FTE 0): The Klamath Tribe, Oregon, retains hunting, fishing and gathering rights under the Treaty of 1864, despite termination of the Federal supervision over the property and members of the tribe. Decisions of the United States Court of Appeals for the Ninth Circuit and subsequent denials (Kimball v. Callahan) recognized the continued existence of the Klamath Tribe and the basis for requirements of resources to preserve and protect the retained treaty rights of the tribe. A 1981 consent decree and order (Civil No. 73-155) identifies tribal responsibilities for the conservation and management of fish and wildlife resources through an agreement between the tribe, State of Oregon and the United States. A 1985 decision by the Supreme Court in Oregon Department of Fish and Wildlife v. Klamath Indian Tribe, involved the exercise of hunting and fishing rights on approximately 621,000 acres of ceded lands, as per the 1901 Cession Agreement between the tribe and the U.S. Government. Although the court held that the tribe's exclusive right to hunt and fish on lands reserved in the 1864 treaty did not survive as a special right to be free of state regulation in the ceded lands that were outside the reservation after the 1901 agreement, tribal conservation and enforcement efforts are still a need on the 1.1 million acre former reservation.

The Klamath Tribal Executive Committee, as governing body of the Klamath Tribe, is responsible for implementing the tribe's treaty rights and conservation program. The Klamath Indian Game Commission assists in planning, coordination and implementation of biological, conservation enforcement, liaison and administrative aspects of the program. The $145,000 will support a skeleton staff to perform the highest priority biological and conservation enforcement programs.

E. Michigan (Great Lakes) Fisheries Management ($700,000; FTE 0): In 1981, fishing rights of three Michigan tribes (Sault Ste. Marie, Bay Mills and Grand Traverse) covered by the Treaty of 1836 were affirmed in Federal Court. Also, in 1981, the three tribes established the Chippewa/Ottawa Treaty Fishery Management Authority (COTFMA) to provide uniform joint regulations governing tribal fishing activities, to act as a coordinating body for enforcement activities, to coordinate initiatives regarding enhancement of the fishery and to provide a forum for resolving policy issues among the tribes. The COTFMA is advised on technical fishery matters, fishing regulations, harvest and status of the fishery stocks by the joint Inter-Tribal Fisheries and Assessment Program which carries out stock assessment and research studies, recommends harvest quotas, prepares data for negotiations/litigation and works with other tribal, state, federal and academic biologists throughout the Upper Great Lakes area. A joint biological committee, the Tripartite Technical Working Group, consisting of biologists from the Inter-Tribal Fisheries and Assessment Program, the State of Michigan and the U.S. Fish and Wildlife Service, assesses the status of important fish stocks, and establishes annual Total Allowable Catches for use by the State of Michigan and COTFMA in regulating fisheries. Tribes also participate on the Lake Trout and Chub Technical Committees of the Great Lakes Fishery Commission, established by the treaty between the United States and Canada for Great Lakes fisheries restoration purposes.

In 1985, a negotiated fisheries agreement, signed by all parties to the U.S. v. Michigan litigation, was formalized through Federal Court action. The Agreement provides for fisheries zonation plans for Lakes Superior, Michigan, and Huron, a fisheries enhancement program, further development of cooperative management measures, expanded conservation enforcement programs, a tribal economic development program, and a comprehensive lake trout management program.

The $700,000 is estimated to be spent as follows:

$ 480,000 - to support conservation enforcement programs of the three tribes,
60,000 - to support the conservation court system administered by the Bay Mills tribe,
110,000 - to support the fisheries program administered by the Sault Ste. Marie tribe,
50,000 - for administration of the COTFMA.

Under a separate section of this budget submission, $1.5 million is being requested as an FY 1986 supplemental appropriation to meet the Federal Government's commitment of funds for a Treaty Waters Fisheries Management Fund, to be invested, with the interest earned to be used by the three tribes to support various fisheries management activities.

Fish Hatchery Operations ([illegible]; FTE [illegible]): The total fish hatchery operations funding for FY [illegible] was [illegible]. Of that amount, [illegible] has been transferred to Tribe/Agency; [illegible] has been transferred to Fish and Wildlife Technical Assistance. The balance is the [illegible] add-on by the Congress in FY [illegible]. The following table illustrates how the [illegible] was distributed:

Tribe/State	FY [illegible] Request	Congressional Addition	Totals
Hoh, WA	$ [illegible]	$ + [illegible]	$ [illegible]
Lummi, WA	[illegible]	+ [illegible]	[illegible]
Makah, WA	[illegible]	+ [illegible]	[illegible]
Muckleshoot, WA	[illegible]	+ [illegible]	[illegible]
Nisqually, WA	[illegible]	+ [illegible]	[illegible]
Nooksack, WA	[illegible]	+ [illegible]	[illegible]
Point No Point, WA	[illegible]	+ [illegible]	[illegible]
Puyallup, WA	[illegible]	+ [illegible]	[illegible]
Quileute, WA	[illegible]	+ [illegible]	[illegible]
Quinault, WA	[illegible]	+ [illegible]	[illegible]
Skagit System Coop, WA	[illegible]	+ [illegible]	[illegible]
Squaxin Island, WA	[illegible]	+ [illegible]	[illegible]
Stillaguamish, WA	[illegible]	+ [illegible]	[illegible]
Suquamish, WA	[illegible]	+ [illegible]	[illegible]
Tulalip, WA	[illegible]	+ [illegible]	[illegible]
Bad River, WI	[illegible]	+ [illegible]	[illegible]
Lac du Flambeau, WI	[illegible]	+ [illegible]	[illegible]
[illegible], WI	[illegible]	+ [illegible]	[illegible]
Pyramid Lake, NV	[illegible]	+ [illegible]	[illegible]
Red Lake, MN	[illegible]	+ [illegible]	[illegible]
Mescalero, NM	[illegible]	+ [illegible]	[illegible]
	$ [illegible]	[illegible]	$ [illegible] *

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* These totals do not include [illegible] indirect support funds, which will be distributed based on indirect support experience in FY [illegible].

c. US/Canada Pacific Salmon Treaty ([illegible]; FTE [illegible]): Through representation on the Pacific Salmon Commission and panels created by the United States - Canada Pacific Salmon Treaty and implementing legislation of [illegible], Northwest treaty tribes apply their management expertise in protecting and rebuilding salmon stocks of mutual concern to both countries. The treaty commits each country to prevent over-fishing and provide for optimum production, and creates a national and international forum through which coordinated management of salmon stocks can occur. The United States obligation to implement the treaty includes providing the Tribal support in the areas of management, administration, enforcement data collection/analysis and enforcement.

The [illegible] would be divided between the Columbia River Inter-Tribal Fish Commission and the Northwest Indian Fish Commission for work not currently being conducted under other contracts. Programs to be conducted include research management, data sharing, stock identification, and stock monitoring. [illegible] of salmon stocks originating in U.S. waters and intercepted in Canadian waters.

II. Other Fish, Wildlife, and Recreation Management Assistance ($710,000; FTE 0): Indian tribes throughout the country continue to develop considerable interest and concern for the protection and conservation of their fish and wildlife resources. Many tribes have progressed to the point where they are fully capable of managing their resources, but require financial support from time to time to maintain projects and/or implement special biological investigations. Through this activity, to the extent that funds may be available, tribes are able to collect baseline inventory data, implement fish and wildlife management plans, promote the training of tribal members in fish and wildlife conservation, conduct special studies, and assume responsibility for programs previously conducted by the Fish and Wildlife Service. Included in this amount is $20,000 provided for maintenance services at the Wildhorse Reservoir, Nevada; $120,000 for NWIFC and $79,000 for the CRITFC (both to assume work previously performed by the Fish and Wildlife Service); $50,000 for the Gallup Fisheries Assistance Office, various funding amounts for the Flathead, Montana and Lower Brule, South Dakota fish and wildlife programs. Also, we have provided some of these funds in the past to cover deficiencies in or directed additions to, the technical assistance provided by the Fish and Wildlife Service as described in the following section.

III. Technical Assistance-Fish and Wildlife Service ($1,062,000; FTE 41): This base program establishes a new line item which incorporates all elements of reimbursable assistance requested by the Bureau of the Fish and Wildlife Service (FWS), and includes transfers of available base funds from other sections of the budget. The proposed program includes reimbursing the FWS for technical assistance on fish and wildlife resource matters and fish production activities to tribes not yet able to perform such services, with the understanding that, as tribes develop the capabilities to assume such programs, funding will be transferred to the tribes. The services to be provided are described in a Memorandum of Agreement (MOA) negotiated annually between the two agencies.

Included in this section is the Quinault hatchery, which supplements efforts of Federal and state agencies involved in enhancement of Pacific Northwest Salmonid resources; and the Mescalero, Williams Creek and Alchesay hatcheries whose contributions are necessary to support tribal fishing programs in Arizona, New Mexico and Colorado, through which economic benefits are derived. Funding is provided for the Fish Health Center to conduct fish disease control work at tribal hatcheries in the Pacific Northwest. Technical assistance offices located at Parker and Pinetop, Arizona; Lander, Wyoming; Vernal, Utah; Valentine, Nebraska and Kalispel, Montana, serve tribes requiring training and assistance in developing fish and wildlife management programs and capabilities.

Increase/Decrease from FY 1987 Base: (Dollar amounts in thousands)

Field Operations:		FY 1987 Base	FY 1987 Estimate	Difference (+ or -)
Michigan Settlement	$	700	1,280	+580
US/Canada Treaty	$	1,400	1,000	-400
FWS Technical Assistance	$	1,062	1,339	+277
Fish Hatchery Operations	$	347	--	-347
Total	$	3,509	3,619	+110

Michigan Settlement (+$580,000; FTE 0): Agreement was reached on March 26, 1985, between the parties who have been involved in the 15-year old U.S. v. Michigan litigation concerning fishing in the Great Lakes. The agreement provides for implementation of a Great Lakes Trout Rehabilitation Plan, prohibition of treaty gillnet fishing in key sportfishing areas, and establishment of a Treaty Waters Conservation Office to ensure cooperation among the parties.

The $580,000 is estimated to be spent as follows:

$180,000	- Expanded conservation enforcement
75,000	- COTFMA administration
20,000	- Public Relations program
70,000	- Biological assessment
35,000	- Landing site development
200,000	- Establishment of the Treaty Waters Management

United States/Canada Pacific Salmon (-$400,000; FTE 0): The United States' obligation to implement the U.S.-Canada Pacific Salmon Treaty can be met by dividing the $1,000,000 for FY 1987 between the Columbia River Inter-tribal Fish Commission (CRITFC) and the Northwest Indian Fish Commission (NWIFC), to support additional work not covered under other contracts, focusing on salmon stocks originating in U.S. waters and intercepted in Canadian waters. Because FY 1986 funds are provided to the Commissions under a P.L. 93-638 contract, they can carry-over into FY 1987.

FWS Technical Assistance (+$277,000; FTE 0): These funds are required to establish a reasonable base of funding to cover the estimated costs of services provided to BIA and the tribes by the FWS, and to ensure continued operation of these important hatcheries and technical assistance offices. The current estimated requirement to continue technical services and hatchery operations during FY 1987 is $1,339,000, as follows:

Facility	Funding Level
Quinault FH	$ 284.0
Mescalero FH	219.0
Williams Creek FH	>
Alchesay FH	> 369.0
NW Fish Health Center	66.0
Lander TAO	174.0
Pinetop TAO	90.0
Parker TAO	42.0
Vernal TAO	32.0
Valentine TAO	16.0
Kalispel TAO	38.0
	$ 1,339.0

Fish Hatchery Operations (-$347,000; FTE 0): In the FY 1987 Base budget, all hatchery operations funds have been transferred to the Tribe/Agency part of the budget. This reduction reflects deletion of an add-on by the Congress of $347,000 in FY 1986. The reduction is generally of increases that have been added to the the program in recent years. When prorated to all hatchery operations, there are no severe detrimental effects to any one hatchery. Economies in operations should be able to handle the various reductions; low priority maintenance items will be delayed. (The reductions will be taken exactly as the add-on was distributed, as shown in the Base Program).

Object Class Distribution - Forestry and Agriculture Subactivity Amounts

	FTE	Amount
Personnel Compensation (FTE)	+ 1	$ + 35
Personnel Benefits, Civilian	-0-	+ 3
Travel & Transportation of things	-0-	- 20
Other Services	-0-	- 4,982
Supplies & Materials	-0-	- 106
Equipment	-0-	- 415
Grants, subsidies, & contributions	-0-	- 5,964
Total	+ 1	$-11,449

Justification of Program and Performance

Activity: Natural Resources Development
Subactivity Minerals and Mining/Irrigation and Power

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Minerals and Mining	$	9,589		7,841	7,741	-100
	(FTE)	(49)		(13)	(13)	(--)
B. Irrigation and Power	$	7,940		7,940	7,587	-353
	(FTE)	(17)		(17)	(17)	(--)
Total Requirements	$	17,529	16,775	15,781	15,328	-453
	(FTE)	(66)		(30)	(30)	(--)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Minerals and Mining	$ 17,529	$ -754	$ 16,775

As a result of the P.L. 99-177 reduction, portions of proposed mineral inventory projects will be delayed, affecting the projects under agreement with the US Geological Survey and Bureau of Mines, or the 638 contracts with the tribes. Within the Irrigation O & M program, the sequestered funds would cause lower priority operation and maintenance actions to be deferred, and a lessening in the extent of staff survey of the systems which would, if such reductions continue, eventually require major expenditures in Irrigation construction funds to rehabilitate deteriorated systems.

A. Minerals and Mining

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Central Office Operations:	$	663	663	663	--
	(FTE)	(13)	(13)	(13)	(--)

Field Operations: (Continued)		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Energy and Mineral Resources	$	7,078	6,360	5,400	-960
	(FTE)	(--)	(--)	(--)	(--)
Hopi Coal Lease Renegotiation	$	100	100	--	-100
	(FTE)	(--)	(--)	(--)	(--)
Tribe/Agency Operations:	$	1,748	--	--	--
	(FTE)	(36)	(--)	(--)	(--)
Linowes Positions	$	--	468	468	--
	(FTE)	(--)	(--)	(--)	(--)
Special Projects	$	--	250	1,210	+960
	(FTE)	(--)	(--)	(--)	(--)

Objective: To provide technical, economic, and land-use data and advice to Indian landowners, and to Bureau and Department personnel who are assisting Indian owners seeking to manage and develop their mineral resources. To cooperate in the planning, management and development of mineral resources with tribes, other agencies, councils and commissions. To assist tribes in achieving the maximum income and employment return from utilization of their mineral resources.

Base Program ($7,841,000; FTE 49): The Bureau of Indian Affairs is the responsible arm of Government for protecting the interests of Indian land owners in the development of the mineral resources on Indian lands. Title to these lands is held in trust or restricted status by the United States. The Bureau supports the Administration's policy of self-determination for Indian tribes and will assist the tribes to attain the maximum benefits which can be derived from developing their resources. However, the final decision to develop their resources or not is left to the tribes and individual Indian landowners.

More than 53 million acres of land are held in trust for Indians. As of September 30, 1984, tribes or individual Indians had 4,862,713 acres under mineral leases with a total income to Indians of over $230.7 million. Oil, gas and minerals are extracted through about 17,599 leases and permits. Most of the revenue is from oil and gas leases. The following table displays by Area Offices, the leases, acreage and income for FY 1984 (latest data available) and comparable income for FY 1983.

Area	No. Leases FY 1984	Acreage FY 1984	Income ($) FY 1983	Income ($) FY 1984
Aberdeen	530	91,015	1,555,783	2,302,471
Albuquerque	556	818,050	36,958,804	23,000,476
Anadarko	3,976	250,762	35,589,139	33,522,754
Billings	4,614	1,294,271	40,756,199	35,138,219
Eastern	--	--	400,511	--
Juneau	--	--	--	--
Minneapolis	1	19	4,000	--
Muskogee [Non-add]	5,284	1,091,820	NA*	58,256,871
Navajo	909	614,878	45,679,510	46,578,453
Phoenix	1,584	417,698	20,844,222	29,302,218
Portland	142	10,366	1,982,650	2,370,374
Sacramento	3	812	205,165	243,485
Totals	17,599	4,589,691	$183,975,983**	$230,715,321

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* NA = Not Available. No lease information was received from the Muskogee Area Office for FY 1983. MMS computerized accounting systems did not allow for FY 1983 reporting. All other Area Office reports were completed manually.

** Without Muskogee Area Information.

Mineral development will mean financial independence for some tribes and individual members. For others, it will provide a substantial contribution to their economic needs.

Central Office Operations ($663,000; FTE 13): In order to oversee these extensive ventures, the Bureau has Central Office personnel located in Washington, D.C. and Lakewood, Colorado; and other staff located in Area and Agency offices. These employees are geologists, geophysicists, petroleum and mining engineers. They organize minerals information and coordinate with tribes, the Minerals Management Service, the Bureau of Land Management and industry. They also perform economic analyses of leases and other types of development agreements, and prepare and hold competitive bid lease sales.

The Division of Energy and Minerals provides staff assistance and technical advice in the coordination of Bureau-wide Indian energy and mineral resource policies, standards, goals and objectives and management of Indian energy and mineral resources. They recommend procedures for application by Area and Agency offices in activities pertaining to the conservation, leasing and development of mineral resources on Indian lands; provide technical advice to Bureau management on mineral related issues; review mineral accounting procedures and supervise the mineral assessment program. They also monitor all contracts, production programs in oil and gas, provide economic analysis reports related to coal, oil, gas, uranium, copper, molybdenum, tungsten, and other mineral resources.

This Division is responsible for direct assistance to field offices in the negotiation of agreements and monitoring compliance with terms of the agreements, as well as liaison with the Bureau of Mines, the U.S. Geological Survey, the Minerals Management Service, the Bureau of Land Management, and the Office of Surface Mining. Over the past three years, directives from Congressional hearings, recommendations in the Inspector General's investigation on royalty management within the Bureau, and recommendations in the Linowes Commission reports have imposed added responsibilities on the Bureau. These added responsibilities have increased our workload and imposed obligations to improve oil and gas lease management and royalty distribution.

Field Operations ($7,178,000; FTE 0):

Mineral Assessments ($6,360,000; FTE 0): This program began in FY 1975 and consists primarily of work done under interagency agreements with the Bureau of Mines and the Geological Survey. The general structure of the program under the interagency agreements consists of three levels or phases:

Phase I Level is a literature search to collect publicly available mineral data, specific to a reservation, for compilation into a single informational volume.

Phase II Level programs are undertaken if favorable conditions for significant mineral occurrences have been identified on a reservation, but require additional on-site data collection for validation and assessment. This new data is acquired by application of modern exploration techniques, as required, such as geological mapping, geochemical analysis, assays, geophysical studies, drilling, exploratory excavations or other means.

Phase III Level studies apply still more sophisticated procedures to quantify the economically valuable resource, establish value of the resource in place, determine viability of economic production, perform market and economic analysis and possibly provide operational and design recommendations.

Phase II and Phase III Level programs are performed, if warranted, on those reservations where tribes request this level of mineral assessment for use in orderly development of tribal mineral resources.

From the BIA studies, it is believed that enough detail will be available in certain areas so that individual tribes will be adequately aware of what minerals occur on their lands, and the associated problems and benefits of development. As a result of these studies, the following estimated resources have been delineated: 32,241 million tons of coal, 1,353 million tons of lignite, 6,442 million tons of zeolites, 9.5 million pounds of uranium, 712 million tons of bentonite, 1,252 million pounds of copper, 44,500 ounces of gold, 1,440 million pounds of molybdenum, and 1,842 million tons of phosphate. These mineral resources are estimated to have an in-place value of over $747,850 million.

The Energy and Mineral Resources Division has the capability to perform computer program economic evaluations on existing and proposed mineral leases, profit sharing agreements, or other types of contracts. The purpose of this assistance is to provide tribes with a higher level of economic information concerning mineral agreements, to enhance their development negotiating position. The work consists of computer-generated discounted cash flow returns on investment, and analyses of the economics of mineral recovery operations. Results are comprised of tables and graphs which display the changes in financial benefits due to changes in economic variables. The Division can also provide selected information on current oil and gas activity. This work consists of data compilations on oil and gas drilling activities, well completions, identification of lessees, and the generation of maps to portray the current oil and gas activities on or near Indian lands. Summary reports are prepared at the request of the tribes. Information contained in the reports is not made public without the tribe's written permission.

It takes from 5 to 10 years of exploratory and development work prior to commencement of commercial mineral production. Considering the present market conditions in the mineral industry, mineral assessment work should be done now in order to be ready to develop resources as soon as market conditions improve. In this way, the tribes may increase their return by taking advantage of that part of the time cycle during which market conditions are most favorable. For example, the Pine Ridge, Hualapai, Colville, San Carlos, Walker River and Laguna Tribes are at the moment actively being approached by mining companies. This mineral industry interest can be attributed to the availability of geologic information generated by BIA mineral assessment programs. In addition, data from the assessment programs enhances negotiation of mineral agreements, in that tribes can negotiate from a point of knowledge about their mineral resources.

One of the primary reasons for choosing the U.S. Geological Survey and Bureau of Mines to take the lead in performing this mineral assessment work is that these organizations are composed of highly trained geologists and engineers whose work is of professional quality. Our ability to coordinate, assist and inspect the activities of these agencies in all phases of mineral resource development was greatly enhanced with the establishment of the Energy and Mineral Resources Office in Lakewood, Colorado.

For fiscal years 1986 and 1987, funding distribution for mineral assessments and related special projects would be as follows:

	FY 86	Estimated FY 87
Bureau of Mines	$1,537,000 a/	$1,356,000 a/
U.S. Geological Survey	3,906,000 b/	3,612,000 b/
Tribal Projects	485,000	0
Total	$5,928,000	$4,968,000

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a/ includes $60,000 for mineral economic analysis to be completed on the Bureau of Mines Mineral Availability System (MAS).

b/ includes $60,000 for Petroleum Information Service, Inc.

Plans for FY 1986 include the following reservations. (Adjustments have been made from the list appearing in the FY 1986 President's budget, based on updated information):

			Reservation	Amount
Phase II	In Progress:		Cherokee, NC	$ 243,000
			Fort Hall	418,000
			Hualapai	825,000
			San Carlos	875,000
			Ute Mountain Ute	255,000
			Southern Ute	271,000
			Standing Rock	270,000
		*	Southern California:	123,000
			- La Jolla	
			- Pauma	
			- Pala	
			- San Pasqual	
			- Manzanita	
			Great Lakes:	149,000
			- Fond Du Lac	
			- Lac du Flambeau	
			- White Earth	
			- L'Anse	
		*	Ft. McDermitt/	
		*	Summit Lake	71,000
			Annette Island	400,000
New Phase II Projects				
			Colville (PL 93-638)	290,000
			Fort Belknap (PL 93-638)	195,000
		*	Hopi	80,000
		*	Coeur d'Alene	101,000
			Northern Cheyenne	15,000
			Eastern Tribal Land Pequot, Narragansett, Seneca, St. Regis Mohawk and Choctaw	50,000
		*	Puget Sound Project Nineteen Reservations	75,000
Phase III	In Progress:	*	Duck Valley	165,000
			Laguna	75,000
		*	Flathead	50,000
		*	Rocky Boy's	50,000
		*	Acoma	105,000
		*	Laguna	160,000
		*	Colorado River	475,000
		*	Tule River	22,000
				$5,808,000

* Mineral Assessment Projects performed by Bureau of Mines.

The following Mineral Assessment Projects are proposed to be undertaken in FY 1987:

			Reservation	Amount
Phase II	In Progress:			
			Cherokee	250,000
			Fort Hall	200,000
			Hualapai	500,000
			San Carlos	500,000
			Great Lakes:	210,000
			Fond Du Lac	
			White Earth	
			Ute Mountain Ute	200,000
			Annette Island	400,000
			Standing Rock	250,000
			Southern Ute	200,000
		*	Southern California	$110,000
			- La Jolla Mission	
			- Pala Mission	
			- Pauma Mission	
			- San Pasqual Mission	
			- Manzanita Mission	
	New Projects			
		*	Coeur d'Alene	125,000
			Northern Cheyenne	100,000
		*	Puget Sound Project	65,000
			Nineteen Reservations	
			Lower Brule	71,000
			Crow Creek	71,000
		*	Chemeheuvi	100,000
		*	Warm Springs	150,000
		*	Fort McDowell	125,000
			Cheyenne River	250,000
			Turtle Mountain	100,000
			Nevada Project;	250,000
			- Fallon, Ely Colony,	
			- Moapa, Goshute,	
			- Pyramid Lake, Walker River and Washoe	
Phase III	In Progress	*	Acoma	150,000
		*	Laguna	246,000
		*	Colorado River	100,000
		*	Rocky Boy's	125,000
				$4,848,000

* Mineral Assessment Projects performed by Bureau of Mines.

Special Projects ($250,000; FTE 0): This program continues minimum funding for projects such as the Colville mineral surveys and the Pine Ridge sand and gravel project. Some of these funds will be used to support the expenses incurred by the Bureau as a participant in the Secretary's Task Force on royalty management, which addresses improvements in accounting, disbursements, and lease management.

Hopi Coal Lease Renegotiation ($100,000; FTE 0): The $100,000 was a one-time Congressional add-on to the FY 1986 budget to assist the Hopi tribe in its efforts to renegotiate the royalties on a long-term coal lease with the Peabody Coal Company.

Council of Energy Resource Tribes ($432,000; FTE 0): The Bureau of Indian Affairs may also provide funding for the Council of Energy Resource Tribes, Inc. (CERT) from this activity. CERT is a consortium of thirty-nine (39) tribes upon whose lands are located much of this Nation's oil, gas, coal, uranium and other energy resources. In Fiscal Years 1985 and 1986, the Bureau provided funds to support CERT's broad mandate to assist member tribes to assess, develop and manage their energy resources in a manner that maximizes financial return to the tribes and that is consistent with tribal cultural traditions and tribal environmental priorities. Bureau support for priority projects of the 39 CERT member tribes is enhanced by financial support from the Department of Energy, the Administration for Native Americans, and the Environmental Protection Agency. The management and program efficiencies of interagency coordination through a single contract to 39 tribes that are geographically dispersed, increases the results from limited resources. The final amount will be determined at negotiation time for contract renewal.

Linowes Positions ($468,000; FTE 16): This is a new line item to identify specifically the funding for positions that were established as a result of recommendations of the Linowes Commission on improving royalty, energy and minerals management. As a result, this program continues minimum funding for the 16 positions provided. The positions have been funded from available Bureau funds since 1984. The FTE for these position are not separately identified and are part of the Central Office, Area Office and Tribe/Agency staff shown elsewhere in this justification.

Workload Data:

Table 1 following this narrative displays the funding of the various phases of the Mineral Assessment Program throughout its history.

TABLE I
MINERAL ASSESSMENT PROGRAM FUNDING
($000)

Bur. of Mines	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986*	1987*
Phase I	243	93	93	180	113	345	500	123	0	0	0	0	0
Phase II	0	180	280	490	585	648	501	323	246	321	329	194	110
Phase III	0	0	0	425	250	64	545	1,095	1,218	469	1,151	1,343	1,246
Subtotal	243	273	373	1,095	948	1,057	1,546	1,541	1,464	790	1,480	1,537	1,356
US Geological Survey													
Phase I	243	93	93	180	112	345	500	125	0	0	0	0	0
Phase II	0	200	280	1,616	3,196	3,845	2,800	3,125	2,976	2,380	4,060	3,706	2,710
Phase III	0	0	0	0	0	0	0	0	0	129	35	200	902
Subtotal	243	293	373	1,796	3,308	4,190	3,300	3,250	2,976	2,509	4,095	3,906	3,612
TOTAL BOM Projects	243	273	373	1,095	948	1,057	1,546	1,541	1,464	790	1,480	1,537	1,356
" USGS Projects	243	293	373	1,796	3,308	4,190	3,300	3,250	2,976	2,509	4,095	3,906	3,612
GRAND TOTAL	486	566	746	2,891	4,256	5,247	4,846	4,791	4,440	3,299	5,575	5,443	4,968

* Proposed distribution

Increase/Decrease from 1987 Base

(Dollar Amounts in thousands)

Field Operations		1987 Base	1987 Estimate	Difference
Mineral Inventories	$ (FTE)	5,928 (--)	4,968 (--)	-960 (--)
Special Projects	$ (FTE)	250 (--)	1,210 (--)	+960 (--)
Hopi Lease Negotiation	$ (FTE)	100 (--)	-- (--)	-100 (--)
Total	$ (FTE)	6,278 (--)	6,178 (--)	-100 (--)

Mineral Inventories (-$960,000; FTE 0): This reduction reflects deletion of the additional projects funded in FY 1986.

Special Projects (+$960,000; FTE 0): The addition of $960,000 will cover expenses associated with corrective actions to resolve royalty payment problems from producing oil and gas leases, problems with other lease payments, land ownership records and integrated records management, with information, and use. These needs include the total scope of effort envisioned in the Reference Handbook for Management Planning, dated June 1985, which covers the basic problems to be addressed. These problems deal not only with royalty payments on oil and gas leases, but the basic records required for all leases and related payments.

Hopi Lease negotiations (-$100,000; FTE 0): These funds were a one time add-on in FY 1986 for the specific purpose of offsetting expenses of the Hopi tribe associated with an attempt to adjust the monetary terms of a current lease with Peabody Coal Company on the Black Mesa Mine.

5. Irrigation Operation and Maintenance

Authorization: [illegible]

Objective: [illegible]

Base Program [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

(2) Projects where the repayment capabilities of the land will not permit payment of the full annual operation and maintenance costs. Assessment rates for Indian water users on these projects are based on the ability of the Indian to pay and do not cover the full cost of operation and maintenance. All or any part of any unpaid assessment becomes a lien against the land for which such assessment is not paid.

Funds requested for payment of costs under this category will be used when necessary to pay into the Collection account that part of the annual operation and maintenance cost on Indian-owned lands in excess of the annual assessment and any part of the uncollectable annual per acre assessment against Indian-owned lands. Funds so paid into the Collection account to cover these costs become reimbursable debts due the U.S. when used to pay all or any part of the annual costs included in the assessment rate. Costs in excess of the assessment rate are non-reimbursable.

(3) Irrigated areas, such as subsistence garden tracts and tracts of a few acres which do not represent economical units, but provide Indian landowners with a means of supplementing their livelihood. Because of the low income of the Indian landowners and water users on these irrigated areas and tracts, it is not feasible from an economic standpoint to assess these lands. Accordingly, the operation and maintenance costs are non-reimbursable and do not become a lien against the lands benefitted.

Funds requested for payment of costs under this category will be used, when necessary, to pay into the Collection account the total cost for operation and maintenance of these subsistence garden tracts and irrigated areas, or if no Collection account has been established, and it is not desirable or proper to establish such an account, the funds will be expended, when necessary, directly from the appropriation account.

(4) Irrigation systems and reservoirs serving Indian-owned lands located within and operated by various private and public irrigation districts and water user associations. Assessments for operation and maintenance of the irrigation systems and reservoirs serving these Indian-owned lands are made by the irrigation district or water users association operating and serving such Indian-owned lands.

Funds requested for payment of assessments under this category will be used when necessary to pay into the Collection Account for payment to private and public irrigation districts and water users associations for operation and maintenance costs assessed for Indian-owned lands included within such irrigation districts and water users associations. Funds used for payment of assessments covering these costs are reimbursable and become debts due the U.S., except for those payments that are non-reimbursable by legislation.

(5) Projects that are operated by the Bureau at no cost to the Indian landowners and water users, as provided for under legislation or court decree. Funds requested for payment of assessments under this category will be used, when necessary, to pay into the Collection Account appropriated funds for irrigation projects operated by the Bureau at no cost to the Indian water users, as provided by legislation or court decree.

Following is a summary for the 1982 crop year latest data available of irrigation project acreage and estimated value of crops grown:

Land Ownership in Projects	Acreage	Gross Crop Value ($ Millions)
Indian Owned Land	523,000	$ 95.0
Indian Farmed	(201,000)	(45.5)
Non-Indian Farmed	(245,000)	(49.5)
Idle	(77,000)	(-0-)
Non-Indian Owned/Farmed	154,000	21.0
Grand Total	677,000	$ 116.0

The 71 Indian irrigation projects are distributed throughout the West as follows:

BIA Area	No. of Projects
Albuquerque	23
Billings	6
Navajo	1
Phoenix	29
Portland	7
Sacramento	5
	71

The Appropriation Act for FY 1984, P. L. 98-146, authorized the Secretary of the Interior to invest irrigation and power operation and maintenance collections. The initial investments were made on November 10, 1983. For the period November 10, 1983, to September 30, 1984, the investment program produced $1,062,485.33 of interest from an investment of $23.3 million of collections. Information is not yet available for the period October 1, 1984, to September 30, 1985. Through March 31, 1985, interest of $940,202.72 was realized from approximately $25 million invested.

On March 31 and September 30 of each year, the interest earnings are apportioned to each participating project in direct proportion to the amount of investment by each project. A preliminary review of the more prominent projects indicates a fiscal impact of about 5 % of the total Irrigation Operation and Maintenance requirements of the projects.

The estimated breakdown by category for FY 1986 and FY 1987 appropriations is as follows (dollars in thousands):

Category	No. of Projects	Estimate FY 1986	Estimate FY 1987
(1)	8	-0-	-0-
(2)	8	262	274
(3)	47	1,348	1,039
(4)	5	242	317
(5)	3	2,716	2,950
(NIIP)..........	1	3,372	3,007
Total	71	$ 7,940	$ 7,587

Activity Summary
($ in 000)

Activity: Trust Responsibilities

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Revised Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) or Dec. (-) 1986 Est. over 1987 Base
Indian Rights Protection	17,938	20,550	20,329	19,565	19,290	-275
Real Estate & Financial Trust Services	27,665	23,301	28,326	28,713	31,160	+2,447
Trust Respons. Contract Support	---	797	797	Distrib.	---	---
TOTAL	45,603	49,648	49,452	48,278	50,450	+2,172

BIA 156

Increase/Decrease from 1987 Base

(Dollar Amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
Irrigation O & M	$	7,940	7,587	- 353
	(FTE)	(17)	(17)	(--)

Irrigation O & M (-$353,000; FTE 0): This reduction will be prorated to various projects, so that no single location will be severely impacted. Lower priority operation and maintenance actions can be delayed and the number of surveys of the systems may be reduced. It is also taken in anticipation of possible increased interest earnings on invested Irrigation and Power collections.

Object Classification Distribution - Minerals and Mining Subactivity Amounts

Other Services	$ - 453

Activity Summary

(dollars in thousands)

Activity: Trust Responsibilities

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Indian Rights Protection	21,873	21,408	20,488	22,495	17,408	(5,087)
Real Estate/Financial Trust	28,601	29,852	28,568	8,262	12,851	4,589
Trust Respons. Contract Support	861	0	0	0	0	0
Total	51,335	51,260	49,056	30,757	30,259	(498)

Justification of Program and Performance

Activity: Trust Responsibilities
Subactivity: Indian Rights Protection

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Environmental Quality	$	1,400		776	561	-215
	(FTE)	(17)		(3)	(3)	(--)
B. Indian Rights Protection	$	20,008		21,719	16,847	-4,872
	(FTE)	(125)		(51)	(21)	(-30)
Total Requirements	$	21,408	20,488	22,495	17,408	-5,087
	(FTE)	(142)		(54)	(24)	(-30)

Gramm Rudman Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Indian Rights Protection	$ 21,408	$ - 920	$ 20,488

As a result of the P.L. 99-177 reduction, there will be fewer survey and testing activities at Hazardous Waste sites, a reduced number of site visits to perform emergency archeological surveys for projects, and the resulting delays in completing all current projects. In Alaska items, there will be a lessening of coordination, consultation, and monitoring in the subsistence and allotment program; the Historical and Cemetery Site Inspections activity and all Selection Costs payments will be further delayed. The Litigation Support/Attorney Fees reductions would result in delaying all ongoing cases, curtail activities to those with less critical demand or those facing pending court deadlines. The Unresolved Indian Rights Issues activities will be slowed in the research and survey areas including Old Age Assistance actions.

A. Environmental Quality Services

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Central Office Operations:	$	167	167	167	--
	(FTE)	(3)	(3)	(3)	(--)
Archeological Clr.	$	294	294	394	+ 100
	(FTE)	(--)	(--)	(--)	(--)
Hazardous Waste	$	315	315	--	- 315
	(FTE)	(--)	(--)	(--)	(--)
Tribe/Agency Operations:	$	624	--	--	--
	(FTE)	(14)	(--)	(--)	(--)

Authorization: 42 U.S.C. 4321, *et. seq.* "The National Environmental Policy Act," January 1, 1970, requires Federal agencies to consider environmental impacts of proposed Federal actions and issue environmental impact statements for actions significantly affecting the human environment prior to decisions to proceed. 16 U.S.C. 470 *et. seq.* and 16 U.S.C 470aa *et. seq.* "The National Historic Preservation Act" and "The Archeological Resources Protection Act", establish national policy for the management, preservation and protection of cultural and archeological resources.

Executive Order 12088, October 1978, "Federal Compliance with Pollution Control Standards," implemented by Departmental Manual 516 DM 4, requires all Bureaus to comply with Federal environmental pollution control laws, regulations and standards affecting air, water, and noise, and those applicable provisions of other laws, regulations and standards. These include the Clean Water Act (P.L. 92-500); Clean Air Act (P.L. 84-159); Resource Conservation and Recovery Act; (P.L. 94-580); Comprehensive Environmental Response, Compensation and Liability Act, or "Superfund" (P.L. 96-510); Endangered Species Act (P.L. 93-205); and Federal Environmental Pesticide Control Act (P.L. 92-516), as amended.

Objectives: The objectives of the Environmental Quality program are: (1) to ensure that proposed Bureau actions affecting the reservation environment comply with procedural and substantive requirements of the National Environmental Policy Act (NEPA); (2) to review and comment on other Federal agency NEPA documents for proposals that may have potential impacts on Indian people and trust lands; (3) to comply with environmental protection laws in the areas of air, water, and noise pollution, safe drinking water, storage and disposal of nuclear, toxic and hazardous wastes and pesticide management on the Indian reservations; (4) to comply with the National Historic Preservation Act, the Archeological Resources Protection Act and the American Indian Religious Freedom Act to protect Indian archeological, historic and cultural resources and values on Indian trust lands; and (5) to comply with Executive Order 12088 and applicable Departmental policies and procedures in the prevention, control and abatement of environmental pollution in Federal facilities and activities under the control of the Bureau.

The National Environmental Policy Act, as well as the National Historic Preservation Act, Fish and Wildlife Coordination Act, and the Archeological Resources Protection Act, require the examination of proposed actions on Indian lands to determine if they may affect the quality of the human environment or resources which are protected by specific statutes. These activities include coal mining, oil and gas exploration, uranium mining, timber harvesting, and other surface-disturbing activities. When the examination or assessment indicates a significant impact, then an environmental impact statement (EIS) is prepared to insure that Indian people and Bureau officials are aware of impacts on the environment, resources, tribal cultural heritage, and social welfare. These documents are planning tools to be used as an aid in the decision-making process.

Base Program ($766,000; FTE 3):

Central Office Operations ($167,000; FTE 3): Staff at this level provide guidance and assist in solving problems associated with preparation of Environmental Impact Statements; prepare and review Federal Register Notices; provide coordination with other Interior Agencies, to ensure documents meet the needs and requirements of each agency; review controversial Environmental Assessments (EA); gather documents which may affect Indian lands and forward them to the appropriate area office for review; and obtain comments from the field for final review and consolidation before forwarding the comments to the Agency which initiated the project.

Central Office staff are also responsible for overall guidance of the Bureau's Archeology Program. This includes establishing procedures for archeological clearances and establishing an approach for compliance with the various archeological laws, while taking the complex issues of tribal ownership and trust land status into account. All major policy, and coordination with other federal agencies, is generated at this level.

This staff is also responsible for establishing, managing and providing guidance for the Bureau's Hazardous Waste Program (HWP). The basic steps of the HWP are survey, testing, prioritizing and cleanup of sites. The HWP is a five-year management plan, of which Fiscal Year 1986 will be the first year of effort, utilizing the $315,000 earmarked by the Congress for surveys and testing. The main objective during FY 1986 will be additional surveys, testing of known or suspected sites and making arrangements for cleanup of emergency sites.

Area Office staff are primarily responsible for coordinating the preparation of EIS's. Additionally, review documents prepared by third party contractors. They are also responsible for setting up public hearings and gathering and responding to public comments on the EIS documents. The Area Offices prepare most of the major EA's required under their jurisdiction and give guidance to the tribe/agency level in the preparation of less controversial EA's.

Area Office Staff prepare permits and give necessary guidance for the completion of day-to-day archeological activities. In addition, clearances are reviewed and processed. Actual field work is performed to ensure compliance with archeological laws and protection of sites to the maximum extent possible. Emergency site discovery situations are also handled at this level.

Area Office staff are also responsible for gathering information and conducting questionnaire surveys about hazardous waste sites. There are occasions when Area Office personnel perform sampling for tests and act as on-site coordinators during cleanup situations. They are also responsible for contracting associated with testing and cleanup of the sites.

Workload Data: Environmental Impact Statements (EIS) which are required by the Bureau are usually prepared by consulting firms and cost approximately $300,000 each. Funding for impact statements is not included in this request since they are normally funded by the project applicant or by the program responsible for management of the resources proposed for development.

Not all environmental work is accomplished by staff in this program. Efforts by staff of other programs (minerals, forestry, real estate, etc.) are required in environmental examinations and reviews. Funding for those activities is provided by those programs. In addition, there are major environmental assessments or impact statements which must be contracted. Funding is usually provided by the program involved.

		FY 1984	FY 1985	FY 1986	FY 1987
Environmental	Examinations	60,000	65,000	67,500	67,500
"	Assessments	750	800	825	825
"	Impact Statement	6	6	4	4
"	Reviews	1,600	1,700	1,700	1,700

The Bureau encourages tribes to carry out environmental programs on their respective reservations with assistance from the Bureau, the Environmental Protection Agency and cooperating states. However, the majority of tribes do not have the resources to carry out environmental programs, and therefore rely on Federal assistance through the Bureau.

Archeological Clearance ($294,000; FTE 0): The Archeological Program is designed to examine areas on trust and Federal lands being considered for construction or modification, for the presence of significant historic, archeological or cultural sites and features. If any of these features are found, measures are outlined to preserve, maintain or salvage the resources involved. The tribes are consulted during this process.

Hazardous Waste ($315,000; FTE 0): Several sites have been found on reservations, thus far, with varying degrees of potential impact. When these sites are discovered, there is a need for sampling, testing, and protection (such as fencing), as appropriate. These steps will enable the Bureau to determine if there is an imminent hazardous situation involved, its extent, and possible mitigative measures to be taken. The sites can then be prioritized so those posing a threat to human health are cleaned up first.

Thus far, the Bureau has cleaned up a polychlorinated biphenyl (PCB) site at the San Carlos Irrigation project in Arizona at a cost of $180,000, a PCB spill on the Flathead Irrigation project in Montana at a cost of $80,000 and two Arsenic sites on the Northern Cheyenne reservation (Montana) at a total cost of $50,000. The Environmental Protection Agency (EPA), using its "Superfund" money, recently cleaned up the Celtor Chemical site on the Hoopa Indian reservation in California. The cost for this cleanup was approximately $340,000.

Increase/Decrease from 1987 Base:

(Dollar amounts in thousands)

Field Operations:		FY 1987 Base	FY 1987 Estimate	Difference
Archeological Clearances	$	294	394	+ 100
	(FTE)	(--)	(--)	(--)
Hazardous Waste	$	315	--	-315
	(FTE)	(--)	(--)	(--)
Total	$	609	394	-215
	(FTE)	(--)	(--)	(--)

Archeological Clearances (+$100,000; FTE 0): This funding will be used for surveys, excavations and mitigations needed to ensure that Bureau projects are not delayed and to provide archeological services in Oklahoma, and for the Washington Office. An efficient clearance process is necessary; especially to handle "discovery situations" which occur as projects are being carried out.

In Oklahoma, the Bureau is relying on BLM to perform archeological clearances on oil and gas leases only. This leaves the Bureau to develop additional means of compliance for various other projects with limited resources.

The Bureau's program is being directed toward granting the tribes maximum authority for cultural resources management. The Bureau has 20 full time archeologists, in seven area offices who need guidance in this effort.

Hazardous Waste (-$315,000; FTE 0): In FY 1986, $315,000 was appropriated as a one-time earmarking of funds as directed by the Congress for the hazardous waste program, which allowed for surveys and testing of known and suspected sites. However, it will be possible to conduct further surveys and address emergency situations without these additional funds, with existing resources.

B. Indian Rights Protection

		FY 86 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec. (-) From Base
Central Office Operations:	$ (FTE)	549 (9)	549 (9)	549 (9)	-- (--)
Area Office Operations:	$ (FTE)	535 (12)	535 (12)	463 (12)	-72 (--)
Field Operations					
ANILCA Programs	$ (FTE)	1,372 (10)	1,372 (10)	672 (--)	-700 (-10)
Native Group Grants	$ (FTE)	412 (--)	412 (--)	-- (--)	-412 (--)
Land Selection Costs	$ (FTE)	750 (--)	750 (--)	-- (--)	-750 (--)
ANCSA Cem/Hist Sites	$ (FTE)	1,568 (20)	1,568 (20)	-- (--)	-1,568 (-20)
Litigation Support	$ (FTE)	5,300 (--)	2,200 (--)	1,180 (--)	-1,020 (--)
Water Rights Negotiation/ Litigation	$ (FTE)	-- (--)	10,353 (--)	10,353 (--)	-- (--)
Attorney Fees	$ (FTE)	1,850 (--)	1,850 (--)	1,500 (--)	-350 (--)
Unresolved Rights Issues	$ (FTE)	1,470 (--)	1,470 (--)	1,470 (--)	-- (--)
Hunting & Fishing Rights	$ (FTE)	660 (--)	660 (--)	660 (--)	-- (--)
Michigan Settlement	$ (FTE)	700 (--)	-- (--)	-- (--)	-- (--)
Tribe/Agency Operations:	$ (FTE)	4,842 a/ (74)	-- (--)	-- (--)	-- (--)

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a/ Funding and FTE for the Tribe/Agency is shown under the new OIP budget activity titled Tribe/Agency Operations.

Authorization: 28 U.S.C. 2415 (Statute of Limitations) provides that the United States initiate claims for money damages in behalf of a recognized tribe, band or group of American Indians. This section also allows for similar actions for, or on behalf of, an individual whose land is held in trust or restricted status.

P.L. 97-394, the "Indian Claims Limitation Act of 1982," was included in the Bureau of Indian Affairs' Administrative Provisions of the Appropriation Act for FY 1983. The Act extended the deadline for resolving claims.

P.L. 96-487, the Alaska National Interest Lands Conservation Act (ANILCA), provides for subsistence protection for Alaska Natives, conveyance of title to Alaska Native allotment applicants, and economic development grants to Native groups.

The Alaska Native Claims Settlement Act (ANCSA), P.L. 92-203, provides for the investigation and certification of cemetery and historical sites and their transfer to Native Regional Corporations.

Objective: To protect those rights which the United States guaranteed the various federally recognized Indian tribes through treaty, statute or Executive Order, and to preserve the resources upon which the exercise and benefits of the rights depend. To provide for tribes the financial ability to become involved through legal or legislative advocacy; to address all unresolved issues, i.e., trespass, water rights, fishing and hunting rights, tribal sovereignty; and to bring potentially contesting parties together on a broad scale to consider Indian rights issues and seek areas of common interests and goals.

Base Program ($21,719,000; FTE 51): In performing its fiduciary responsibilities, the Bureau of Indian Affairs, as the Federal agency with primary responsibilities, must meet whatever challenges may occur and initiate action necessary for the protection and continued viability of those rights. Many of the cases filed to date will be active, requiring research and evidence gathering efforts. Unresolved Indian Rights issues will continually be identified and resolved, and evidence will be gathered for Statute of Limitations active claims for many years to come until the claims are resolved.

Within the Federal Government, in addition to the Bureau of Indian Affairs, the Department of the Interior Solicitor and the Department of Justice both have key roles in rights protection. The Department of Justice usually represents the Indian interest in cases under adjudication. The Interior Solicitor provides legal advice to the Bureau and to tribes concerning rights issues and prepares litigation reports for consideration by the Department of Justice. If the Federal Government were to withdraw from requesting funds for and supporting Indian tribes in rights protection efforts, few tribes would be able to afford the extremely high costs of litigation or negotiation. Consequently, land, water, and other resources belonging to a tribe would often be diverted to non-Indian use. However, court rulings sometimes require the Federal Government to provide the protection needed because of treaty or statutory requirements.

It is incumbent upon the Federal Government, by virtue of its fiduciary responsibility, to ensure that Indian rights are not abrogated, lost, or infringed upon. A majority of the tribes are not financially able to undertake the programs necessary to protect their rights and resources. As pressures mount on scarce resources, especially water, program efforts must assure that Indian rights are effectively protected.

Central Office Staff Operations ($549,000; FTE 9): This element provides the Bureau of Indian Affairs professional, technical and managerial personnel to administer rights protection activities at the national level, to undertake policy initiatives, to initiate and review legislation, to make allocation determinations for centrally controlled rights protection funds and to issue and monitor contracts for rights protection research on a multi-regional or national basis.

Area Office Operations ($535,000; FTE 12): The rights protection activity provides the Bureau of Indian Affairs with problem-solving staff and technical support services at the regional level for the protection of the multi-billion dollar estate which the United States administers on behalf of the Nation's Indian tribes. This includes support to meet challenges to tribal rights and interests that are protected by treaty, statute, or Executive Order, as well as the initiation of those actions required of a prudent trustee to clarify the nature of, and to ensure the continued viability of, those rights. Where negotiated agreements are not possible, this activity provides the historical, technical, scientific, and other professional expertise necessary for the Government to litigate challenges to Indian rights which the United States has guaranteed through treaty or statute.

Field Operations ($20,635,000; FTE 30): The major costs for services required in the protection of Indian rights are funded in the subactivities listed below; i.e., Litigation Support, Attorney Fees, Unresolved Indian Rights Issues, Hunting and Fishing Rights, and Water Rights. Those subactivities are programmed at the Central Office, based on information provided by the tribes and Agency and Area Offices. The funds are used to support rights protection activities, on a priority basis, considering the relative importance and urgency of the controversy being negotiated or litigated.

Water Rights Negotiation/Litigation ($10,353,000; FTE 0): This is a new line item under Indian Rights Protection for water rights negotiation/litigation, and will serve to facilitate the collection of evidence/data necessary to effectively protect the reserved water rights of Indian tribes and their members. By combining the funds in one activity, they can be used more effectively in support of Indian water claims, whether they are in negotiation or litigation.

A plan to review Indian water claims was completed in 1980 in response to the growing number of conflicts involving Indian Water Claims. The plan defined fixed criteria to analyze and evaluate technical data used in the identification and documentation of potential tribal water resources. Under the plan, determinations are made concerning the extent of data necessary to support a tribal water claim, whether through negotiation or litigation should negotiation prove unsuccessful.

This activity provides the data/evidence gathering capability required by the United States, acting as trustee on behalf of Indian tribes, to successfully litigate or support a tribal water claim when settlement options are being explored. In either case, all baseline data/evidence will have to be collected. This data/evidence includes complete historical, hydrologic, engineering, soil classification, and economic identification of both present and future water needs of a tribe.

Funding expenditures are made on a priority basis with those in active litigation and/or negotiation receiving first priority. Amounts identified and expended in each case vary, based on the data/evidentiary needs identified by the Department of Justice, Interior Department Solicitors, BIA staff, and the affected Indian tribe. All work performed under this activity is done through the Federal procurement process and all data/evidence is made available to the subject tribe. The Secretary has placed a high priority on the resolution of federally reserved water rights, including Indian reserved water rights. It is the policy of the Administration and this Department to encourage Indian tribes to negotiate settlement of their water claims. In furtherance of this policy, funds from this activity may also be used to fund direct tribal participation in the preparation of the tribal water claim process. A key element of this tribal involvement is tribal review of contract proposals and the scope of studies proposed, as well as assistance in contractor selection. This will allow tribes to monitor work as it is being conducted and to suggest modifications of the studies as they feel necessary. Moreover, the information and data which is collected in the preparation of a tribal water claims package is made available to the tribe so that the tribe may make an informed decision about its water rights claims.

There are over [illegible] currently pending general stream adjudications in which Indian water rights are being quantified, most of which involve more than one tribe. Virtually all negotiation of Indian water rights is occurring in the context of either pending or threatened litigation. Any failure of negotiations means the Federal Government will be required to litigate the federally reserved water rights of the Indian tribes. Thus, studies now being prepared for negotiations are also being prepared in anticipation of litigation and will be used for litigation if negotiations fail.

In FY 1987, it is anticipated that [illegible] cases will either be involved in active litigation or negotiation. Inadequate collection of the necessary data/evidence required by each case area will increase the risk of loss of Indian reserved water rights and could possibly place the United States in a position of possible liability for failure to adequately perform the fiduciary duties as trustee of Indian trust resources.

Other Litigation Support ([illegible]; FTE [illegible]): This activity provides the information and evidence gathering capability required by the United States to successfully defend the Government's position in litigation involving Indian rights issues. In some instances, the United States is acting in matters brought on its own behalf or on behalf of the Indian tribes. In other cases, the United States is a named defendant in actions brought by third parties, and in others, it is a named defendant in actions brought against the United States by Indian tribes.

Litigation support is also provided to the tribes in cases where they are separately represented because other interests of the United States conflict with those of the affected tribe. In such cases, a trust relationship or fiduciary obligation still exists. Much of the activity conducted in support of litigation is actually directed towards negotiated settlement of lawsuits. Cases include: trespass; title questions, such as property line disputes, rights-of-way, allotment claims; mineral entry; pollution issues; and activities which have harmed or could harm the health and safety of the reservation population.

Cases are addressed on a priority basis, with those either in court, or due to be in court within a short period of time, receiving first consideration.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Federal Register, in compliance with the 1982 act, a universe of approximately 16,000 claims cases has been established, and the United States is now barred from filing suit on any claim not appearing thereon. With respect to those claims appearing on either of those lists, the statute of limitations is now indefinitely extended until such time as the United States files litigation, formally rejects the claims for litigation or legislative solution, or submits legislation to the Congress to resolve such claims. A considerable amount of research remains to be done on the approximately 4,000 claims appearing on the second list, with claims having been submitted by tribes since the publication of the first list on March [illegible], 1983. The work no longer focuses on the identification of [illegible] of [illegible] claims, but rather on the resolution of such claims. On [illegible], the Old Age Assistance Claims Settlement Act, P.L. [illegible], was enacted, which will resolve several thousand [illegible] of [illegible] claims. In excess of [illegible] trust accounts have been identified as qualifying for [illegible]. These, together with the amount of reimbursement that was actually paid from them to the States have been published in the Federal Register. The identification and location of those individuals [illegible] estimated [illegible] in number, and the amount of reimbursement due each of them, including interest, must now be determined.

This [illegible] activity is designed to protect Indian rights and to avoid greater cost [illegible] for failure to discharge the fiduciary responsibilities of the United States. Information generated by the activity is used primarily to [illegible] and [illegible] Department settlements or other administrative remedies. Failing these, it can be used to support the initiation of litigation and for legislative resolution. The issues addressed include, but are not limited to, those involving title to land, trespass, water rights, mineral entry, [illegible] problems of pollution, and activities which endanger [illegible] persons or property.

Hunting and Fishing Rights ([illegible]): This activity supports Indian [illegible] in [illegible] litigation to define the scope of their hunting and fishing rights, [illegible] in negotiations with other [illegible] interests in lieu of further litigation, and [illegible] implementation of court [illegible]. [illegible] continuing jurisdiction over natural resource management related to Indian hunting and fishing rights. [illegible] obtained from the courts, or agreements negotiated with other co-management entities provide the basis for determining the nature and extent to which Indian hunting and fishing rights may be exercised in the context of overall resource protection and conservation.

Tribes [illegible] participate in litigation and negotiation proceedings directly, or through inter-tribal coordinating bodies (e.g., Northwest Indian Fish Commission, Columbia River Inter-Tribal Fisheries Commission, Great Lakes Indian Fish and Wildlife Commission, and Chippewa-Ottawa Treaty Fishery Management Authority). The United States and the Indian tribes must have [illegible] to determine the extent to which treaty hunting and fishing rights can be asserted or exercised, including stock recruitment data, [illegible] information and data allowing for the establishment of [illegible]. [illegible] provides a [illegible] to tribes, in [illegible] to the satisfaction of the courts and the [illegible], that they have the capacity to regulate their members' exercise of [illegible] hunting and fishing rights in a manner which assures appropriate conservation and utilization of the resources for the benefit of all concerned. Tribes and inter-tribal bodies [illegible] programs in the areas of fish and wildlife management, [illegible], conservation enforcement, and [illegible] court systems. Failure to develop an effective tribal co-management capability could lead to increased State control and diminution of Indian hunting and fishing rights. Once these cases go beyond the litigation or negotiation phase, funds are transferred to the Wildlife & Parks account for implementation of the decisions made or agreements reached.

ANCSA Site Surveys ($1,564,000; FTE 22): This funding provides field support units for investigation and certification of cemetery sites and historical places authorized by the Alaska Native Claims Settlement Act (ANCSA). Most of the sites are remote and accessible only by helicopter. Travel is an integral part of the ANCSA program, absorbing about 1/3 of annual funding requirements. Field support units for FY 1985 were located mostly in the Calista and Aleut Regions. An enlarged field unit was located on Amchitka Island in the Aleutians, and one field unit each at Alakanuk, St. Mary's, and Tuntutuliak in the Calista Region. At this funding level, 260 sites could be located and additional information gathered and verified.

The National Park Service formerly provided formal consultation services to the Bureau through agreements and contracts with the University of Alaska (which have since been terminated). Historical and cemetery site studies and assessments were conducted, evaluated and reported to the Bureau. Since the Bureau has its own site assessment and evaluation field program, to which the National Park Service reviews were complementary, it was determined that the information provided by the National Park Service could mostly be obtained in the same operation by the Bureau. Therefore, a transfer of funds was made, starting in FY 1985, for more efficient operations and better utilization of funds. The National Park Service will continue to consult with the Bureau and comment on cemetery and historic sites located on lands managed by the Service, as needed.

Alaska Lands Act ($2,774,000; FTE 33): This funding provides for implementation of those activities authorized by P.L. 96-487, the Alaska National Interest Lands Conservation Act (ANILCA).

a. ANILCA Programs ($1,471,000; FTE 10): This portion of the ANILCA program provides for effective coordination/consultation with land managing agencies and the State on subsistence preference for Alaska Natives and administration of programs affecting the acquisition of Native allotments. Provisions of subsistence are monitored to assure preservation of rights, resources, immunities and prerogatives to which the U. S. has committed itself by various statutes and regulations. Complaints that preference for subsistence uses is not adequately provided are investigated. Not all of the requests can be responded to each year, within available resources, but all actions are of vital importance in defense of native subsistence rights.

Limited services to facilitate transfer of Alaska Native allotments are provided. A Native Allotment Plan has been drawn up by the Juneau Area Office and although not yet funded, it is intended to facilitate and expedite conveyance of all Native allotments in Alaska through a coordinated, cooperative inter-/intra agency six-year plan of action.

Limited administrative services affecting Native allotments, villages and corporations are provided upon request or as required, i.e., realty, rights of way, leases, forestry, land transfers, probates, environmental and archeological, natural resources, appraisals, and lease compliance.

b. Native Group Grants ($412,000*): Section 14h(2) of the Alaska Native Claims Settlement Act authorizes the Secretary to provide grants to Alaska Native Group Corporations which are too small in number to qualify as Village Corporations. Section 1413 of ANILCA authorized the Secretary to pay each of these groups an amount not more than $100,000 or less than $50,000, adjusted according to the population of each Group. Funds authorized may be used only for planning, development, and other purposes for which Native Groups are organized under ANCSA. The funds will assist the Native Groups to become capable managers of their lands and resources. Of the twenty-seven (27) possible groups to be certified, nine (9) have been declared eligible; others have been denied and have appeals pending with Interior Board of Land Appeals (IBLA); others are pending. The Board has approved applications from five (5) groups, which are listed below, with the grant amounts approved for each. These were paid in FY 1985.

Kian Trie	$ 90,000
Olsonville	100,000
Gold Creek	67,500
Point Possession	75,000
Nagamuit	87,500
	$420,000 *

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* (Note: The funds available were $412,000, which reflects the 2 % reduction in 1985. The Bureau provided the additional $8,000 in order to finalize the payments.)

For FY 1986, we expected additional decisions on certifications and continued the same level of funding to cover anticipated payments to the other four groups that have been declared eligible ($357,500); with the balance to be used to pay, to the extent possible, others that may be decided. The four that are already eligible are: Caswell Native Association, Alexander Creek, Montana Creek, and Menchumina.

c. Land Selection Costs ($750,000): Section 506(d) of ANILCA authorized the Secretary to reimburse the three corporations (Goldbelt, Kootznoowoo and Shee Atika) for costs incurred in determining the validity of land withdrawals on Admiralty Island under section 14(h)(3) of ANCSA, and authorized not to exceed $2 million for that purpose. Prior to FY 1986, the Congress had appropriated $1 million for this purpose, and the Bureau had provided an additional $250,000, leaving this balance of $750,000 to be appropriated.

Audits of the original claims, supplemental audits of those claims, and audits of reclaims have been accomplished, as well as a reassessment of the question of interest. To date, $1,147,941 would be required to pay the balance of all presently approved costs; additional authorization would also be required.

Increase/Decrease from FY 1987 Base: (Dollar amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
Indian Rights Protection				
Area Office Operations:	$	535	463	- 72
	(FTE)	(12)	(12)	(--)
Native Group Grants	$	412	--	- 412
	(FTE)	(--)	(--)	(--)
ANILCA Programs	$	1,372	672	- 700
	(FTE)	(10)	(--)	(-10)
Land Selection Costs	$	750	--	- 750
	(FTE)	(--)	(--)	(--)
ANSCA Cem/Hist. Sites (% NPS)	$	1,568	--	-1,568
	(FTE)	(20)	(--)	(-20)
Litigation Support	$	2,200	1,180	- 1,020
	(FTE)	(--)	(--)	(--)
Attorney Fees	$	1,850	1,500	-350
	(FTE)	(--)	(--)	(--)

Area Offices (-$72,000; FTE 0): All increases/decreases at Area Offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the significant reductions in funding which were made in fiscal years 1983, 1984, 1985 and 1986.

Native Group Grants (-$412,000; FTE 0): Based on available information it is estimated that the FY 1986 funding should be sufficient to pay the remaining Native Group Grants. Barring any unforeseen appeal situations, we believe that fiscal year 1986 was the last year of requests for this purpose.

ANILCA Programs (-$700,000; FTE -10): The reduction in this line-item will reduce funding for the resolution of claims associated with the selection and conveyance of Alaska Native allotments. This need can be met with part of the proposed funding increase for cadastral surveys in Alaska. Claims which are too complex to be resolved as part of the expanded survey program would be dealth with using existing resources available in other elements of the Rights Protection program. Also, it is expected that greater assistance can be solicited from non-federal parties with an interest in resolution of allotment-related claims, e.g. the State of Alaska and various Native organizations.

Land Selection Costs (-$750,000; FTE 0): The $750,000 provided in FY 1986 completes appropriations to match the $2 million authorized for this purpose in ANILCA. Additional appropriations will depend on additional authorization for that purpose. After the $750,000 is paid out, there is still $447,841 outstanding in presently approved costs, with the possibility of some additional approved costs, following completion of an on-going audit.

ANSCA Cem/Hist. Sites (-$1,568,000; FTE -20): This reduction will curtail, but not eliminate, the program to survey and investigate historical and cemetery sites for conveyance to Regional Corporations. The sites are protected by existing Federal and State laws; therefore, there is no urgent need to complete them immediately, in that respect. This will delay the completion of the work five years beyond the present schedule of 1992. Within available tribe/agency funds, approximately 80 sites could be investigated, adjudicated and reported in FY 1987.

Litigation Support (-$1,020,000; FTE 0): Additional funds were provided in FY 1986 which were to be directed to activities necessary to meet court-ordered deadlines. This reduction is in anticipation of the majority of those needs being accomplished, and that other needs can be met within the amount proposed in FY 1987.

Attorney Fees (-$350,000; FTE 0): With continuing critical review of requests for attorneys fees, and limitations maintained on hourly rates, we anticipate that this reduction will be acceptable and have no severe impact in meeting tribal needs. It also assumes that the previously imposed limitation on funds for the Navajo/Hopi land case will continue.

Object Class Distribution - Indian Rights Protection Subactivity Amounts

	FTE	Amount
Personnel Compensation (FTE)	-30	$ - 1,090
Personnel Benefits, Civilian	-0-	- 110
Personnel Benefits (Former Employ.)	-0-	+ 150
Travel	-0-	- 100
Other Services	-0-	- 2,703
Supplies	-0-	- 72
Grants, Subsidies & Contributions	-0-	-1,162
Total	- 30	$ - 5,087

Justification of Program and Performance

Activity: Trust Responsibilities
Subactivity: Real Estate/Financial Trust Services

(Dollar amounts in thousands)

Program Elements		FY86 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Trust Services General	$	1,072		718	920	+202
	(FTE)	(20)		(15)	(20)	(+5)
B. Real Estate Services	$	24,712		6,817	10,754	+3,937
	(FTE)	(614)		(159)	(164)	(+5)
C. Financial Trust Services	$	4,068		727	1,177	+450
	(FTE)	(157)		(19)	(13)	(-6)
Total Requirements	$	29,852	28,568	8,262	12,851	+4,589
	(FTE)	(791)		(193)	(197)	(+4)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Real Estate & Financial Trust Services	$ 29,852	$ - 1,284	$ 28,568

As a result of the P.L. 99-177 reduction, the various effects in this account would result in the delays in program oversight and evaluation activities at the Area and Central Offices, delays in the procurement of equipment and supplies, and restricted travel for program oversight. The Miccosukee Real Estate program will experience a slight operating expense reduction; Cadastral Surveys will be reduced in number or scope, and Lease Compliance activities will be delayed. The survey and compliance reductions will increase the current backlogs of these programs, delay developments and reduce returns to Indian owners.

A. Trust Services, General

		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Central Office Operations:	$	336	336	336	--
	(FTE)	(5)	(5)	(5)	(--)
Area Office Operations:	$	472	382	584	+202
	(FTE)	(10)	(10)	(15)	(+5)
Tribe/Agency Operations:	$	264	--	--	--
	(FTE)	(5)	(--)	(--)	(--)

Objective: To provide consistent, high quality and timely direction and assistance in technical operations of all trust responsibilities programs; to direct, formulate and coordinate program policy, planning, development and execution; to provide managerial assistance in the execution of trust services; to provide direction and coordination of geographic information systems in order to expedite delivery of information to tribes in resources planning and development; and to promote efficient and effective use of funds.

Base Program Central and Area Offices ($718,000; FTE 15): The Trust Services, General, program provides program management and support for trust and natural resources activities in the Central Office, and for limited field office land and trust matters. The responsibilities of staff covered by this element may include all or some of the following activities: environmental services; rights protection; real estate services, appraisals, land use planning and land records improvement; financial trust services; agriculture; range; soil and moisture conservation; forestry; fire suppression; energy and minerals; water resources; wildlife and parks; irrigation construction, operation and maintenance; fish and game management; water policy implementation; cultural resources and archeological clearances; hazardous waste; road construction and maintenance; and other trust-related activities.

In the Central Office, the Office of the Director of Trust Responsibilities provides program direction and support for these programs. Trust Services, General provides funding for the Office of the Director, Trust Responsibilities, including most of the Program Coordination Staff. At Area Offices, funds may be used for Rights Protection staff, studies, contracts, geographic information system agreements and other services that may affect trust responsibilities programs at field offices.

Increase/Decrease from FY 1987 Base:

(Dollar amounts in thousands)

Program A. Trust Services, General		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Direct	$	382	584	+202
Operations	(FTE)	(10)	(15)	(+5)

Area Office Direct Operations (+$202,000; FTE +5): All increases/decreases at Area Offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish funding levels and to rank, in order of priority, program packages.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in overhead funding which were made in fiscal years 1983, 1984, 1985 and 1986.

The priority of the IPS funds result in an net increase of $202,000, with the majority of funds ($100,000) and 3 FTE being directed to the Billings Area, and the Juneau Area receiving ($116,000) and 2 FTE. These two areas are a part of the total net amount of increases/decreases within all area offices.

B. Real Estate Services

		FY 1986 Enacted To Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
Central Office Operations:	$ (FTE)	591 (11)	591 (11)	591 (11)	-- (--)
Area Office Operations:	$ (FTE)	1,838 (50)	1,838 (50)	2,019 (55)	+181 (+5)
Field Operations:					
Cadastral Surveys	$ (FTE)	1,037 (--)	1,037 (--)	4,075 (--)	+3,038 (--)
Land Titles & Records Offices	$ (FTE)	-- (--)	1,069 (48)	1,069 (48)	-- (--)
Land Records Improvement	$ (FTE)	882 (--)	882 (--)	1,600 (--)	+718 (--)
Lease Compliance	$ (FTE)	1,400 (50)	1,400 (50)	1,400 (50)	-- (--)
Tribe/Agency Operations:	$ (FTE)	18,866 (503)	-- (--)	-- (--)	-- (--)

Authorization: The Bureau of Indian Affairs' responsibility under 25 U.S.C. 13 is to provide general administration of Indian property. Additional real estate services are mandated by other codes, statutes and court decisions. These legal requirements include: approval of all contracts related to services on Indian lands (25 U.S.C. 176); consent to the alienation of tribal lands (25 U.S.C. 311-328); extending periods of trust and regulating descent and partition of kinship's interest (25 U.S.C. 398); requirements of P.L. 97-459, Indian Land Consolidation Act; and sub-surface leasing of trust lands (25 U.S.C. 39, and subparts a through g). Under Seminole Nation v. United States (316 U.S.C. 286 (1942)), the Federal Government is charged to exercise its trust responsibilities using the "most exacting fiduciary standards." More recent Federal statutes which real estate services must implement are the National Environmental Policy Act, the Historic Preservation Act, the Archaeological Antiquities Act, and the Archaelogical Resources Protection Act of 1979.

Objectives: To protect and enhance the corpus of the Indian trust estate by providing both individual Indian landowners and Indian tribes with the professional, technical, administrative, and protective services required of the United States in its role as trustee of Indian-owned real property. To work with the Indian tribes, Congress and other interested parties toward resolution of the undivided heirship problem of allotted Indian land in accordance with existing authorities. To provide assistance in land use planning and resource management planning to those tribal entities which have requested and demonstrated a need for these services. To facilitate economic use of land by developing a capability to provide accurate and timely land record information and boundary delineation.

Base Program ($6,817,000; FTE 159):

Central Office Operations ($591,000; FTE 11): Central Office staff formulate real estate services policy, provide advice, handle appeals and perform title research required at the national level; provide budget services; implement training initiatives; produce directives for implementation of new legislation; establish and review regulations.

Area Office Operations ($1,838,000; FTE 50): The Area Offices provide technical support and general policy direction as well as administrative review of agency real property management services. Technical support services include appeals assistance, review of development initiatives, performance of appraisals and land use planning.

Field Operations ($4,388,000; FTE 98):

a. Cadastral Surveys ($1,037,000; FTE 0): Funding for surveys (other than Alaska) in the amount of $1,037,000 will provide approximately 1,600 miles of boundary surveys in FY 1986. Survey of Indian lands, as specified in 25 U.S.C. 176, must be accomplished by the Bureau of Land Management. The program is directed toward accomplishing tribally-identified survey priorities, particularly in the areas of energy and energy-related mineral development, where lack of a correctly identified boundary constrains management and/or development of resources. The following table shows accomplished [a] and estimated [e] number of miles of cadastral surveys performed by the Bureau of Land Management in the specified fiscal years:

1981	1982	1983	1984	1985	1986
600 [a]	1,146 [a]	1,200 [a]	1,965 [a]	1,900 [e]	1,600 [e]

Accomplishment of the estimated 1,600 miles of surveyed boundary is possible because the three cadastral survey "project offices" established by interagency agreement between the Bureau of Indian Affairs and the Bureau of Land Management will be maintained. These project offices, which are responsible for most of the surveyed miles noted above, are operated on the Navajo Reservation in Arizona; for the Penobscot and Passamaquoddy Indians in Maine; and recently, at White Earth, Minnesota. A "project office" is a "temporary" BLM organization, established for a minimum period of time (usually three years) to survey a given (and usually large) area of land. The project office's survey crew is dedicated to that survey for the duration of the project office and does not move from one reservation to another, as is the case with non-project office survey efforts. In addition to BLM's acquiring an intimate knowledge of the land to be surveyed and thus completing surveys more efficiently, the BIA realizes significant administrative cost savings by not having to pay per diem and travel costs for BLM surveyors. The result is that a large number of miles are surveyed at a given funding level. Without such project offices, accomplishments would drop off sharply.

Additionally, topographic considerations affect the number of miles surveyed. The 1,965 miles in 1984, and the estimated 1,900 in 1985 reflect surveys of relatively homogeneous topography on the Navajo Reservation where "line of sight" is good, and natural obstacles are few. As priorities shift to less hospitable (e.g., wooded or canyon) lands in 1986, output will likely decrease.

b. Lease Compliance ($1,400,000; FTE 50): The resources allocated to this activity are used by the Bureau for systematic lease compliance monitoring. Terms and conditions of approximately 18,000 leases are enforced through these efforts. In many cases, actions taken by the Bureau in response to noncompliance will result in recovery of funds for the Indian landowner. The basic real estate program will continue to provide for routine inspections required to assure the integrity of trust lands management responsibilities. Leases to be given priority under this compliance activity are oil and gas, mining, agricultural (developmental stipulations), and rights-of-way.

The basis for systematic lease monitoring is agency lease files. Approximately 20% of leases expire each year. These leases are selected as the first priority for inspection. Lease compliance personnel, sometimes acting in conjunction with other land operations, forestry or mineral personnel, physically inspect the leased premises for compliance with the lease terms and stipulations, ranging from proper fencing and cropping patterns to oil and gas well royalty accounting procedures. These activities are undertaken by agency level compliance specialists at the direction of the Agency Superintendent.

Current benefit/cost ratios for the program show that 3.0 to 3.5 dollars are recovered for every dollar that is expended. Benefits from enhanced land base and improvements that result are not counted at this stage of the program. The favorable ratio is achieved by economies of scale (better coordination, multiple inspections and inspectors on the same trip, etc.).

Business and energy-related leases involve auditing of corporate books by professional auditors. Because of the nature of the work, contracted services are used. As tribal priorities are identified (such as a program for monitoring production of producing oil and gas wells), the short response time-frames require contracting as opposed to hiring new personnel. It is anticipated that the Southwest and the Dakotas will be primary targets of emphasis in this program since resource extraction activities in these locations have intensified during the past few years.

c. Lands Records Improvement ($842,000; FTE 0): This program will continue land title examinations and verifications, primarily by contract, with Bureau realty personnel at the Areas and agencies providing oversight. The land records improvement effort has resulted in the examination, to date, of over 100,000 land titles. This level of funding would complete the title backlog on the previously identified 200,000 tracts in two additional years. One of the next major steps in the process will be the microfilming of land title documents so that the originals can be returned to the National Archives. Also, while we have been addressing the old backlog; however, other titles that need to be brought current have been increasing in number. The requirement of keeping titles and records current will receive major attention in FY 1986 and 1987. The need to keep information current must be addressed or the efforts of past years will be wasted.

d. Land Titles and Records Offices ($1,049,000; FTE 48): The Bureau has five Title Plants. Staff are responsible for many activities beyond the receiving and recording of land records information. They provide information and services that are necessary for the Bureau to carry out its management responsibilities on more than 53 million acres of land.

as a cost effective way to survey large and numerous requests for surveys Also, the Title Plant staff perform functions analogous to those of a are recorded. In the Bureau, there are 28 types of title documents, each utilizing five procedural steps that must be recorded. Beyond provision of vital statistics, our title plant staff must also provide information relating to births, deaths, marriages, divorces, and adoptions. They also function as title companies, title attorneys, title insurance companies or abstract companies in that they provide copies of records in a chain of title; furnish opinions as to ownership as well as sufficiency of documents; and provide ownership maps. In addition, they provide land use maps, heirship data, historical documents, and property income data for over 200,000 tracts, with an average of 10 owners of undivided interests per tract. Records must be kept on each of the tracts, as well as separate records on 2 million ownership interests. The current, on-board staff consists of 32-35 people.

These title plants have received uneven attention in the budget of their respective areas, some of which is the effect of the Indian Priority System. Because the present Land Records System is a National System, because of the basic and critical nature of the information it provides to all Bureau programs, and the trust responsibility involved in Land Title and Records, the Title Plants will be put under Central Office control in FY 1987, rather than on the Indian Priority system.

Increase from FY 1986 base:

(Dollar amounts in thousands)

Program

E. Real Estate Services		FY 1987 Base	FY 1987 Estimate	Difference
Area Office Operations	$ (FTE)	1,836 (50)	2,017 (55)	+181 (+5)
Cadastral/Alaska Surveys	$ (FTE)	1,217 (--)	4,271 (--)	+3,054 (--)
Land Records Improvement	$ (FTE)	683 (--)	1,400 (--)	+717 (--)
Total	$ (FTE)	3,737 (50)	7,694 (55)	+3,957 (+5)

Area Office Direct Operations (+$181,000; FTE +5): All increases/decreases at area offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank program packages in order of priority.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the changes in funding which were made in fiscal years 1983, 1984, 1985 and 1986.

The priority of the IPS funds results in an net increase of $181,000 with the majority of funds being directed to the Aberdeen, Billings and Navajo Areas.

The Anadarko Area would receive $145,000 and 2 FTE; the Billings Area Office would receive $70,000 and 2 FTE, and the Navajo Area receiving $75,000 and 1 FTE. These three areas are part of the total net amount of increases and decreases within all area offices.

Cadastral and Alaska Surveys (+$11,339,000; FTE 0):

Lower 48 - Cadastral Surveys (+$500,000; 0 FTE): Funding for cadastral surveys in the "lower 48" states will provide for approximately 2,000 miles of boundary surveys in FY 1987. The increase would provide for one additional project office which, depending on the terrain to be surveyed, would result in some 150-400 miles of boundary being surveyed. This would enable the Bureau to assist a number of individual landowners as well as some tribes to resolve long-standing instances of trespass over disputed or uncertain boundaries; and would enable the existing project office on the Navajo Nation to accelerate surveying of the reservation by adding one additional survey crew. The proposed new project office will be established in either New Mexico or Arizona depending on the survey situation at the time appropriations are received and a determination is made by the BIA and BLM as to which location can be cost effective in use of funds and in output.

The increased level of funding will assist more tribes in pursuing economic development of reservation lands by establishing exterior and interior boundaries. Without precise and legally defensible boundary indentification, resources (timber, coal, oil, natural gas, uranium, molybdenum, copper, lead, zinc, tungsten, gold, silver, etc.) management and development is severely retarded, if not rendered impossible. The potential for delaying resource development on Indian lands is significant, considering the estimated backlog of approximately 20,000 miles of required cadastral surveys.

The creation of "project offices" for large scale survey needs (such as on the Navajo Indian Reservation) has, by eliminating certain administrative costs (due per diem and travel expenses, resulted in a larger number of miles being surveyed at a given funding level than would have been the case without these offices. The surveys also enable tribes to manage land for a comprehensive range of land use planning functions, including, but not limited to, residential and commercial purposes.

However, not all critical survey needs are large enough to justify creation of a project office. For example, trespass is a recurring problem on lands where boundaries are not precisely known and identified. Often these lands involve surveying of several sections in a township, and a project office would not be cost effective. The economic loss to landowners from trespass (primarily unauthorized timber cutting and wrongful grazing) requires immediate attention and correction in order for the landowner to may receive maximum economic benefit and use of the land.

Alaska Surveys (+$11,339,000; FTE 0): Funding for Alaska surveys in the amount of $2,339,000 will provide for surveys of approximately 200 native allotments ($700,000 for pre-survey work on allotments and townsites and $1,639,000 for cadastral surveys).

To appreciate the severity of the backlog of native allotment surveys required in Alaska, it is necessary to think in terms of short and long-term solutions. This is necessitated by the BLM program for surveying lands in Alaska, which is based on a geographic "window" approach. This approach is now called the

Patent Planning Process [illegible]

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the Bureau as the fiduciary trustee.

Base Program ($727,000; FTE 19):

C. O. Staff - Investments and Trust Fund Services ($317,000; FTE 13): This program provides various services, including accounting for and disbursing of tribal and Individual Indian Monies (IIM), derived from the sale or lease of tribal resources such as land, timber, minerals and water; disbursing per capita payments, judgments, awards and claims; producing trust fund histories and carrying-out research projects involving special fiscal problems; providing special financial reports for use in litigation cases; and compiling trust fund data for legislative acts and recommendations for the execution of the acts. The program is also responsible for investing the various trust fund revenues to maximize returns while protecting the funds, and providing, through an automated accounting system, monthly reports for the appropriate tribes and individuals. Income from investments is a direct economic benefit to Indian tribes and individuals. Actions are currently in progress to implement accepted and affordable recommendations contained in a recent study of Investment and Trust Fund operations conducted by Price Waterhouse.

C.O. Staff - Trust Fund Accounting ($410,000; FTE 6): The Bureau has given priority attention to its management of trust funds. Staff and resources have been dedicated to trust fund accounting improvement, and an initiative is currently underway to reconcile all trust account balances. This effort will continue concurrently with the development of an accounting system for trust funds and will enable the Bureau to bring accurate balances into the new data base.

During FY 1986, the Bureau plans to complete development of a new separate Trust Fund Accounting System, which will be interfaced with the IIM and IRMS systems. The completed system is expected to provide the capability for electronic nationwide input of all trust and IIM accounting transactions, receipts, disbursements and refund related adjustments. This will enable the Bureau to maintain timely and accurate daily balances of individual Indian monies and tribal accounts for the investment program and to compute and distribute correct interest earnings.

Workload Data:

Investments		FY 1983	FY 1984
Total Invested	($)	$1.6 billion	1.62 billion
Per annum Earnings	($)	$171.4 million	$171.1 million
Tribes Serviced	(No.)	262	254
Individual Indian Money Accts.	(No.)	250,000	250,000

Increase/Decrease from FY 1987 Base:		(Dollar amounts in thousands)		
Program		FY 1987 Base	FY 1987 Estimate	Difference
Financial Trust Services:				
C.O. Staff - Investment & Trust Fund Services	$	317	467	+150
	(FTE)	(13)	(7)	(-6)
C.O. Staff - Trust Fund Accounting	$	410	710	+300
	(FTE)	(6)	(6)	(--)
Total	$	727	1,177	+ 450
	(FTE)	(19)	(13)	(-6)

C.O. Staff - Investments and Trust Fund Services (+$150,000; FTE -6): The additional funds in this account, together with $350,000 requested in the ADP account are to maintain sufficient staffing and ongoing efforts, including implementation of Price-Waterhouse study recommendations, to provide timely investment services to Indian tribes. Plans include an investment advisory service, which is desirable in order to obtain current readings on economic expectations and related information; an automated bidding system to expand the number of institutions with which we do business and to have automatic feed into the accounting system; Cathode-Ray Tubes (CRT's) to provide immediate access to tribal fund and investment information; and a cash collection system to provide daily cash receipts, with information sent to the investment office electronically. The FTE for FY 1987 has been reduced under the assumption that a major portion of the investment function will be operated through a contract rather than by Federal staff.

Estimates for the $150,000 increase items are:

Advisory investment services	35,000
Contractual Services, Travel, related expenses	115,000
Total	$150,000

C.O. Staff - Trust Fund Accounting (+$300,000; FTE 0): To provide for improved accountability in the total management of trust funds, the Bureau will implement a system to properly account for funds of each individual and Tribe which are collected, disbursed, and/or maintained in trust status. An accounts receivable system linked with the Integrated Records Management System (IRMS) discussed above, will enable mineral and other resource revenues to be recorded in the period earned. This will provide timely information for management's assurance in executing the trust responsibility that all revenues due, are received in compliance with the terms of legal agreements. The system will provide the capability to compute and distribute correct investment earnings to each account and to report account information to each beneficiary on a standard and systematic basis.

The system will be implemented at the beginning of FY 1987 and the increase proposed will cover the following implementation costs:

- Extensive training prior to complete Bureau-wide implementation will be essential to the effective operation of the system.

- Funds will be provided for the training of approximately 200 employees, estimated to total $225,000. The remainder of the requested increase will provide funds for the system maintenance, which is estimated at the industry standard of 15% of the development cost.

Object Class Distribution - Real Estate Services and Financial Trust Subactivity

Amounts

Personnel Compensation	$ + 140,000
Other Personnel Comp.	+ 100,000 *
Personnel Benefit (Civilian)	+ 15,000
Other Services	+ 4,219,000
Communications, Utilities, & Other Rent	+ 75,000
Supplies	+ 20,000
Equipment	+ 20,000
Total	$4,589,000

* Land Records

Activity Summary

(dollars in thousands)

Activity: Facilities Management

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Facilities Management Total	90,616	91,298	87,372	89,730	88,597	(1,133)

Justification of Program and Performance

Activity: Facilities Management

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. GSA Rentals	$	10,240		9,800	9,800	---
B. Facilities Operation	$	79,722		78,594	77,461	-1,133
& Maintenance	(FTE)	(1,334)		(1,318)	(1,318)	(---)
C. Fac. O&M Contract	$	1,336		1,336	1,336	---
Support	(FTE)	(---)		(---)	(---)	(---)
	$	91,298	87,372	89,730	88,597	-1,133
Total Requirements	(FTE)	(1,334)		(1,318)	(1,318)	(---)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Facilities Management	$91,298	$-3,926	$87,372

The impact of the P.L. 99-177 reduction will be the provision of less maintenance, repairs and services to the facilities utilized to provide education and services to the Indian people who are clients of the Bureau of Indian Affairs. As these facilities already have a large backlog of deficiencies, this reduction will result in a further increase in deficiencies, some of which could present life safety hazards to the occupants and visitors.

A. GSA RENTALS

Authorization: Public Building Amendments Act of 1972 (P.L. 92-313).

Objective: To provide adequate space and physical facilities in which to operate Bureau programs effectively at locations which do not have adequate Bureau-owned facilities.

Base Program ($9,800,000; FTE 0): The base program includes funds for 1,212,000 square feet of GSA-provided space serving Bureau programs throughout the country. If space reduction goals are not achieved sufficiently to maintain the total cost of GSA space to the budgeted amount, the programs served will be assessed for additional costs.

B. FACILITIES OPERATION AND MAINTENANCE

Objective: To provide basic facility operating services to existing Bureau-owned and/or operated facilities and previously private schools (institutions now funded by the Bureau which were either operated privately or by tribes in the past) and to maintain these facilities in satisfactory operating condition for the conduct of Bureau programs.

Base Program ($78,594,000; FTE 1,318):

1. Existing Facilities O&M ($74,592,000; FTE 1,244): The existing Facilities O&M program provides essential services to about 10,000 buildings containing approximately 30,000,000 square feet at over 400 locations throughout the United States. The types of buildings are varied and include academic facilities, dormitories, kitchen/dining space, law enforcement offices, administrative offices, quarters, recreation facilities and their associated grounds and streets. Costs to the O&M program for providing essential services to the varied facilities include personal services, supplies, materials and equipment. Recurring costs are heating, cooling, electricity, water, sewage, refuse disposal, communications, preventive maintenance, janitorial and protection services.

Within the existing facilities O&M program, funds are included for Bureau contract schools. Services provided to those schools are the same as for the Bureau-operated facilities cited above.

The base program includes funding for the facilities scheduled to become operational in FY 1986.

2. FACCOM, et al, ($0): Base funding for FACCOM, et al, request ($794,000) has been moved to the Bureau's Construction Management Program under the Program Management subactivity of this account.

3. Area Office Operations ($2,454,000; FTE 74): The area office facility management staff provides technical coordination and engineering services, which include developing the agency facility improvement and repair program; furnishing overall guidance to the agency facility operation and maintenance program; distributing available funds within each area; providing technical guidance and inspection and evaluation services to agency staff on facilities; and providing field activities with energy conservation and environmental protection expertise. The area office facility management and engineering section provides engineering survey services and construction management and engineering technical assistance. The area office staff also provides direct support to the execution of the agency level facility program. These direct support activities include supervision and inspection of major repair and improvement projects; inspection and evaluation of specialty systems such as boilers, water and waste disposal, water treatment, and control systems for heating and cooling plants, alarms and communications; performing trouble diagnosis in electrical and mechanical systems; and identifying and developing repair project need, scope and cost. The staff accomplishing these functions consists primarily of area facility managers, engineers, and clerks.

This FTE (74) continues the FY 1985 actual usage level and includes the congressional restoration of 20 FTE originally proposed for elimination in FY 1986.

4. Central Office Staff ($0): The Central Office Staff base funding ($334,000) and FTE (16) have been transferred to the Construction Management Program under the Program Management Subactivity of the General Administration activity.

Decreases and Increases from 1987 Base: (dollar amounts in thousands)

		FY 1987 Base	FY 1987 Estimate	Difference
1. Existing Facilities O&M	$	76,140	74,592	-1,548
2. New Facilities O&M	$	---	415	+415
3. Area Office Operations	$	2,454	2,454	---
TOTALS	$	78,594	77,461	-1,133

Existing Facilities O&M ($-1,548,000; FTE -7): The decrease reflects estimated savings of -$300,000 for demolition, which offsets an increase justified under the Construction Management portion of this justification. Excess buildings have been abandoned because of uneconomical rehabilitation costs. The buildings are "boarded up"; however, they present a hazard to curious children, vagrants, etc., and should be demolished as soon as possible. The $300,000 will be used to initiate this program. A survey is underway to identify all abandoned buildings. A reduction of $-1,248,000 (FTE -7) is also reflected for Alaska agency closures. Given past and proposed program and staff reductions at the Bethel and Nome agencies, as well as the transfer of program resources to Native organizations in these areas through the 638 contracting process, retention of Bureau facilities (e.g. warehouses) at these locations is no longer justified. Instead, space will be confined at both agencies to that presently leased by the GSA.

New Facilities O&M ($415,000; FTE +7): As construction projects are completed, the facilities are added to the building maintenance inventory. The expected increase in FY 1987 is estimated at 132,995 square feet for a total dollar increase of $415,000 in new facilities operation and maintenance requirements. A breakdown of these facilities is as follows:

Facility	Sq. Footage	Anticip. Constr. Compl. Date	Estimated O&M Funding Needed
Northern Cheyenne Det. Ctr...		Bal. 86 Proj.	$ 1,029 (1/4 yr.)
Fort Peck Law & Order Fac....		" " "	1,372 (1/4 yr.)
Wind River L&O Fac...........		" " "	2,681 (1/4 yr.)
Sherman Indian High School...		" " "	2,348 (1/4 yr.)
Pleasant Point School........		" " "	10,075 (1/4 yr.)
Indian Island School.........		" " "	21,033 (1/4 yr.)
Olympic Peninsula L&O Fac....		" " "	6,793 (3/4 yr.)
Peach Springs Det. Ctr.......		" " "	15,646 (3/4 yr.)
Supai Det. Ctr...............		" " "	1,642 (3/4 yr.)
Indian Township School.......		" " "	40,071 (3/4 yr.)
Mescalero Agency Hdqtrs......	6,900	09/30/86	16,204 (4/4 yr.)
Hopi Jr./Sr. High School.....	126,095	09/30/86	296,106 (4/4 yr.)
TOTAL	132,995		$415,000

C. FACILITIES O&M CONTRACT SUPPORT

Objective: To provide funds to tribes and/or tribal organizations for the incremental costs incurred as a result of their contracting to operate Bureau programs.

Base Program ($1,336,000): The detailed base program description and justification for contract support funds and their overall purpose is included under the Self Determination Services justification.

The FY 1984 Senate Appropriations Committee report language directed that indirect (contract support) costs be included in the program accounts rather than as a line item in the FY 1985 request and thereafter.

Since contract support funds are to be applied to only those facilities which are operated under contract, the contract support funds for the Facilities Management Program will not be merged with the program funds because distribution of program dollars is based on a square footage formula applied to both contract and noncontract operations. The funds will continue to be shown as a separate line item. Facilities O&M Contract Support funds for FY 1986 are tentatively set at $1,336,000, and no increase has been requested for FY 1987. However, if an increase in new tribal contracts does occur, the increased need for contract support funds will be funded from the Self-Determination Services.

OBJECT CLASS DISTRIBUTION - FACILITIES MANAGEMENT ACTIVITY

	Amount
Travel and Transportation of Things	$ -18,000
Communication, Utilities, and Other Rent	-290,000
Supplies and Materials	-235,000
Other Services	-590,000
Total	$-1,133,000

Activity Summary

(dollars in thousands)

Activity: General Administration

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Management & Administration	48,750	49,240	47,123	30,482	31,530	1,048
ADP Services	17,748	17,934	17,163	18,643	17,651	(992)
Employee Compensation Payments	6,858	7,478	7,158	7,486	7,538	72
Program Management	4,805	4,520	4,325	5,648	6,148	500
Consolidated Training Programs	0	0	0	0	1,350	1,350
Rescission (Sec. 2901)	(391)	0	0	0	0	0
Total	77,770	79,172	75,767	62,239	64,217	1,978

Justification of Program and Performance

Activity: General Administration
Subactivity: Management and Administration

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Executive Direction	$	10,045		2,820	2,727	-93
	(FTE)	(230)		(56)	(51)	(-5)
B. Administrative Services	$	38,328		27,128	27,876	+748
	(FTE)	(975)		(665)	(684)	(+19)
C. Safety Management	$	697		364	427	+63
	(FTE)	(26)		(16)	(13)	(-3)
D. Improve Financial Accounting System	$	170		170	500	+330
	(FTE)	(---)		(---)	(---)	(---)
Total Requirements	$	49,240	47,122	30,482	31,530	+1,048
	(FTE)	(1,231)		(737)	(748)	(+11)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Management and Administration	$49,240	$-2,118	$47,122

P.L 99-177 reductions will cause the purchase of needed supplies and equipment to be deferred; the filling of all but the most critical vacancies to be delayed; and the development of systems required to effect administrative improvements to be indefinitely delayed. Delays in vendor payments and decreased competition in acquiring goods and services can also be expected, which will increase overall costs to the government.

A. Executive Direction and EEO

Objective: To provide planning, direction, and line management leadership for the development and implementation of policy initiatives and programs undertaken by the Bureau to ensure achievement of its mission, goals, and objectives.

Base Program ($2,820,000; FTE 56): This program covers the operation of the immediate office and staffs of the line managers at central office and area office levels of the Bureau. The line managers and their staffs provide for organizational leadership and coordination to ensure that all programs operated at their level are effectively integrated to achieve the overall mission of the Bureau. Basic activities include decision-making, direction, policy formulation and adaptation, public relations, representation of the Bureau to other governmental agencies and private sector organizations, and overall management of assigned resources.

1. Central Office ($757,000; FTE 19). Programs and support services managed by the Public Affairs, Congressional and Legislative Affairs, Bureau Controlled Correspondence Office, and Equal Employment Opportunity staffs are funded from this activity. These organizations provide professional services to both the program and the administrative organizations which directly support the objective of providing organizational leadership at the headquarters level.

2. Area Office ($2,063,000; FTE 37). This activity funds the Area Office Director and a limited professional staff at 12 locations to provide for the management and direction of the entire area office structure.

Workload Data: Workload measurement in terms of quantifiable outputs is not appropriate for this activity. The executive direction function encompasses both administrative and programmatic decision-making, directing actions at each organizational level in accordance with delegated authorities, and responding to the external environment in which Indian affairs are conducted. Quantifying output to generate workload indicators would be artificial.

Increase/Decrease from FY 1987 Base: (Dollar amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
A. Executive Direction				
Central Office Staff	$	757	863	+106
Area Office Operations	$	2,063	1,864	-199
	$	2,820	2,727	-93
	(FTE)	(56)	(51)	(-5)

Central Office Staff ($+106,000): This increase will be used to fully fund Executive Direction and Equal Employment Opportunity (EEO), which have been underfunded for many years and have had to rely on funding from other Bureau offices to cover the shortfall. The increase will be used for travel costs by staff to conduct EEO investigations, furnish arbitration assistance on EEO complaints, arrange media coverage and interviews at tribal meetings, speak on legislative issues before national and regional Indian tribal meetings, and provide legislative advice at field hearings. Funding will also be used for procurement, printing and publication of congressional and informational documents, resulting from the tremendous public interest in Indian affairs. Supplies and maintenance of word processors are additional items to be funded. The increased funding will assist in insuring fiscal integrity in the obligation and expenditure of funds for this office.

Area Office Operations ($-199,000; FTE -5): All increases/decreases at Area Offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages.

In fiscal years 1985, 1986, and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the significant reductions in funding which were made in fiscal years 1983, 1984, 1985 and 1986.

This decrease is primarily being made at the Albuquerque Area Office, which is reducing Executive Direction funding by $176,000 and 5 FTE. Most of these funds are being transferred to the Albuquerque Area Administrative Services program as a readjustment in the Area's priorities.

B. Administrative Services

Objective: To manage that portion of the Bureau's program service delivery system which simultaneously provides administrative services to program operations and acts as a control agent to minimize fraud, waste, abuse, and mismanagement.

Base Program ($27,128,000; FTE 665): The administrative services staffs are an integral part of the Bureau's system established to meet the service needs of Indian and Alaska Native people and to protect, enhance, and develop their trust resources. The function serves as an equal partner with the program functions to accomplish the mission of the Bureau, ensuring that those administrative services necessary for program operations are adequately provided. At the same time, it also provides the foundation for the control and accountability of resources used to achieve its mission. These dual roles must be carefully balanced to ensure that one does not dominate the other and to ensure that the total system operates effectively for the benefit of the Bureau's clientele.

Performing these administrative functions is the responsibility of professional staffs at all three levels of the Bureau's organizational structure. The headquarters staffs provide for the development and coordination of nationwide administrative policies, systems, and procedures. Field office employees implement these systems primarily through the operation of service centers at the area office level with some limited activity at the agency level for the processing of administrative documents originated by program managers.

External activity of the administrative services function has increased as a result of the Indian Self-Determination and Education Assistance Act. Administrative services staffs now provide technical assistance to potential and existing tribal contractors who request help in establishing, improving, changing, or maintaining tribal administrative systems. This technical assistance helps ensure that tribal organizations create and maintain adequate systems for accountability and control of Federal funds and other resources used in administering contracted programs.

1. Central Office ($14,205,000; FTE 216): The administrative services program at the central office level is primarily involved in the development and implementation of policies and procedures for all administrative functions. The Central Office also manages the Bureau's total intra-governmental program. This amount is $6,933,000 and includes such services as FTS, postage, Departmental assessment and GSA telegraphic services.

Office of the Director, Administration - The Office of Administration is responsible for providing staff support to the Assistant Secretary - Indian Affairs in the development and management of Bureau programs designed to provide support services to all parts of the Bureau. These programs include the functions of systems development, automatic data processing, budget, finance and accounting, management research and evaluation, personnel management, procurement, property management, contracting, program development and implementation, and safety management. The Office also administers Bureau-wide systems for fiscal accounting and disbursements, payroll and personnel records, and provides for administrative and housekeeping services for the central office, the Eastern Area and the Indian Arts and Crafts Board.

a. Contracting and Grants Management - The Division of Contracting and Grants Administration provides staff support, services and activities in three major areas: policy and systems planning, analysis, formulation, and development;

internal and administrative control reviews for employee and organizational evaluation and compliance; and direct operational services to the Assistant Secretary, Central Office Directorates, and to the Indian Arts and Crafts Board.

The Division staff exercises significant Bureau-wide policy, planning and oversight roles for maintaining and strengthening: (1) the acquisition of goods, services and products; (2) the financial (grants) assistance to individuals and tribal organizations; and (3) the cooperative agreements between the Bureau and other governmental entities. These functions and responsibilities impact over 400 Tribal/Alaska Native governing bodies, their 600,000 reservation constituents located in 22 States, and expend almost 50% of the Bureau's annual appropriation.

The Division staff provides close supportive services to the Bureau's program elements in meeting their procurement needs and requirements for attainment of Bureau mission and goals through various tribal self-development approaches. Executive management and direction are also carried out by on-site peer reviews of 13 field operation sites.

b. Personnel Management - The Division of Personnel Management is responsible for the development, coordination, administration and evaluation of Bureau-wide personnel management programs and policies. The Division formulates objectives, policies and guidelines for personnel management activities; updates the Personnel segments of the BIAM in accordance with constantly changing laws and regulations developed by the Office of Personnel Management and the Department's Office of Personnel; provides expert advice and technical assistance to Area Personnel Offices and to all levels of Bureau management. The Division monitors the Bureau-wide position management and position classification programs in accordance with government-wide standards developed by OPM. It develops standards and criteria for securing and retaining qualified employees, provides guidance to Bureau management on labor-management relations issues and maintains relationships with employee unions recognized by the Bureau on a national basis. It initiates and administers comprehensive management development plans and programs, including training and career development. It oversees employee-management relations to assure that working conditions and employee conduct meet accepted standards. It conducts personnel program reviews and evaluations on a Bureau-wide basis and recommends to management officials methods for improvement.

The Division takes an active part in the development of single agency qualification standards required by the court in the Preston vs. Heckler case, working closely with the Indian Health Service to assure that the standards meet the needs of the Indian people. It provides technical assistance to the Office of Indian Education Programs in the development of policy, procedures and manual issuances pertaining to the personnel and payroll aspects of the contract teacher employment system, and works with the Bureau of Reclamation to resolve system problems encountered in the PAY/PERS system. The Division provides operating personnel services for central office organizations located in Washington, D. C., and other locations in the United States, the Eastern Area Office, and the Indian Arts and Crafts Board.

c. Financial Management - The Office of Financial Management is responsible for the development of policies, programs, systems, and guidelines for financial management functions; for performance of program planning/budgeting, fiscal accounting, compensation, employee data systems; Bureau-wide technical assistance in program evaluation; and provides support services in operating budget and fiscal accounting functions. The office also serves as a coordination point and central source for Indian population data and for special statistical analyses.

(1) Program Development and Implementation - The Division of Program Development and Implementation provides staff assistance to the Assistant Director, Financial Management regarding functions identified with the program planning/budget cycle and program evaluation. The Division implements the Bureau's policies and program goals through the budgeting process; develops instructions for use in annual program plans; reviews program requests on the basis of fiscal reasonableness, feasibility and justifiability; develops Bureau-wide program planning documents; develops budget estimates and justifications; prepares for budget legislative hearings; prepares field planning allowances and tentative allocations. The Division performs budget execution, which has as its primary function fund control for the Bureau. Activities involved are requesting and maintaining apportionments, making fund allotments and distributions Bureau-wide, conducting and monitoring Bureau financial programming, allocating and controlling FTE usage, conducting systematic obligation status reviews to insure compliance with fiscal controls, and developing the policy and providing written guidance to control these activities throughout the Bureau.

(2) Accounting Management - The Division of Accounting Management is responsible for the development, implementation and evaluation of policies, systems, and related procedures for Bureau-wide accounting and fiscal operations. The Division provides centralized financial accounting system operation and reporting, and has technical oversight responsibility for the financial transactions processed through the Bureau's decentralized accounting input stations. The Division provides centralized payroll liaison and coordination, personnel records systems, voucher examination and disbursing services, and financial management systems development and evaluation. The functional responsibilities include all activities related to the establishment and maintenance of accounts and systems which are in compliance with applicable standards and which provide the basis for reporting financial information to internal and external users.

d. Management Services - The Office of Management Services develops policies, programs and guidelines for the general management functions related to property management, safety management, and administrative procedures.

(1) Property Management - The Division of Property Management provides staff assistance regarding programs for all Bureau-owned real and personal properties, space, motor vehicle management, and procurement from directed sources. The Division is responsible for: (1) Developing, modifying, reviewing, evaluating, and implementing Bureau-wide policies and procedures related to management of real and personal property, space and motor vehicles, and procurement from directed sources; (2) maintaining the Bureau property management regulations, incorporating constantly changing Federal and Departmental policies, regulations and procedures promulgated by Federal regulatory agencies; (3) providing Bureau oversight and technical assistance to areas and those offices with operational responsibilities; and (4) providing direct services to Area/Agency Offices and schools. These services include processing all BIA motor vehicle acquisitions, realty disposal actions (e.g., to local governments), requests for leasing of office/facilities space, requests for assignment and acquisition of U.S. Government motor vechicle license tags, data for input to and reporting from the Bureau's automated property inventory systems, and requests for DOD assignment of national stock numbers for cataloging inventory items. The Division performs studies relating to utilization of facilities, disposal systems for excess property and inventory training needs; conducts training in the areas of procurement, property and supply; and provides housekeeping services to Central Office entities located in Washington, D.C., Eastern Area Office, and the Indian Arts and Crafts Board.

(2) Management Research and Evaluation - The Division of Management Research and Evaluation provides staff support to the Assistant Director, Management Services, in the development, coordination, administration, and evaluation of management practices and policies for the Bureau and its area offices. It provides advisory services and technical assistance in management research, organization evaluation and analysis, paperwork management, management systems development, management improvement programs, and managerial operating methods and procedures. The Division performs Bureau-wide organization analysis, including organization planning, structural development and staffing. These responsibilities are carried out in cooperation with the Division of Personnel Management and the Office of Financial Management. It reviews proposed organizational changes and provides analytical support for identifying and evaluating alternative approaches.

The Division provides technical assistance to the Bureau's (12) area offices and to field installations to ensure their organizational structures, functions, and staffing are adequate to conform with current Bureau funding and staffing controls.

It is anticipated that increased emphasis will be placed on Bureau A-123 Internal Controls and an increased overall effort to resolve outstanding unresolved OIG and GAO Audit Reports.

The Division conducts scheduled reviews, performs special management studies on request, and coordinates the managerial control of the following paperwork management elements: correspondence, directives, delegations of authority, reports and forms, mail, files, records disposition, microfilming, vital records, Federal Register requirements, and administration of the Freedom of Information and Privacy Acts.

Financial Management ADP Systems - Funds for the operation of some of the financial management data systems have been budgeted within the Administrative Services program.

a. PAY/PERS System ($0): The ($974,000) funds formerly budgeted under this subactivity for the ADP operating systems costs of the payroll/personnel (PAY/PERS) system operated by the Bureau of Reclamation have been transferred in the base to the ADP Services subactivity of this justification. This action consolidates all ADP operating costs in one part of the Bureau's budget request.

b. Indian Priority System (IPS) ($60,000): The ADP operating costs ($38,000) for the Indian Priority System have also been transferred in the base to the ADP Services subactivity. The remaining funding ($60,000) covers estimated FY 1986 costs for managing the Indian Priority System and is used to supplement the funds available to the Division of Program Development and Implementation in carrying out its responsibilities for program planning and budgeting. The IPS data system provides the mechanism for direct tribal government involvement in the setting of relative priorities for the local operating programs during each annual budget cycle.

2. Area Offices ($12,923,000; FTE 449): The area offices operate as centers for procurement, property management, budgeting and fund control, finance and accounting, and personnel management for all installations under their jurisdiction, as well as all education installations within their area. These centers carry out the workload associated with all administrative authorities with the exception of limited authorities which have been redelegated to the agencies and schools.

Increase from FY 1987 Base: (dollars in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
B. Administrative Services	$	27,128	28,876	+748
	(FTE)	(665)	(684)	(+19)

Contract Management System ($+166,000; FTE +1): During FY 1987 the Bureau will continue its emphasis on the administration of contracts and grants, the volume of which exceeded $563 million in FY 1984 and is expected to increase as tribes continue to contract for the operation of Bureau programs under P.L. 93-638 and commercial/industrial contracting under OMB Circular A-76 continues. The funds will be used to manage and improve an up-to-date contract management system. Internal as well as external reviews have pointed out the need to improve contract and grant administration at both the area and agency levels and for management to have up-to-date information that will enable it to identify and analyze trends before they become major problems. Since improvement must take place within available staff resources, up-to-date information for management is essential.

The contract/grant management system will provide Bureau contracting officers with the information they need to effectively administer contracts/grants, and it will provide Bureau management with the information it needs to make sound management decisions relative to contract/grant operations and to institute corrective actions before minor trends become major problems. In addition, it will provide the Bureau with a means of responding in a timely fashion to third-party concerns, e.g., OIG, Congress, and tribes. The funds will provide a mechanism for maintaining, monitoring and evaluating data; for assuring compliance with reporting requirements; and for analyzing information received.

The modest initial funding of the effort is possible only because a sister agency, the National Park Service, has cooperated with the Bureau by sharing a system it developed. However, modifications to the system to provide information unique to the Bureau and future development efforts designed to meet Bureau needs are anticipated.

Intra-Governmental Billings ($+332,000): The FY 1987 program includes an increase of about 5% to finance increased costs of FTS and postage. The increase in Departmental billings is based on the actual FY 1985 assessment. The breakdown in the various categories is as follows (dollars in thousands):

	FY 1987 Base	FY 1987 Estimate	Difference
Postage	2,573	2,720	+147
FTS-General	3,780	3,900	+120
GSA-Telegraphic Services	200	200	---
Departmental Billings a/	380	435	+55
Total	6,933	7,255	+322

a/ Departmental billings are those charges by the Department for services provided to the Bureau by programs under the Office of the Secretary. The charges are computed by statistical proration or based upon actual usage. The services provided are: Storage and Shipping; Enforcement and Security Management; Medical and Health; Space Management; Printing; GAO Audit Index Hearings; General Services; EEO Branch of Investigation; Departmental Training; Minority Business Procurement and Policy; and Quarters Management Inventory System.

Central Office Staff -- Financial Management ($+123,000; FTE +3): This increase is proposed for the Bureau's Office of Financial Management to strengthen and expand the functional areas of fund control and analysis. The Office monitors, evaluates, and acts to control funds and FTE which it allots and distributes to approximately 100 Bureau locations. In carrying out these responsibilities, the office participates in the design and operation of the Bureau's budget, accounting, and finance systems which provide for the recording and control of appropriated dollars, FTE, and funds held in trust for tribes and individual Indians. The primary systems are computerized and afford a distributive network which allows local access and input Bureau-wide. This increase will be used to enhance Financial Management's capabilities in fund control Bureau-wide and its ability to respond more adequately to control problems and requirements and properly do work accomplishment tracking and reporting.

The proposed increases will allow a higher degree of specialization to develop and implement required enhancements in fund control and program analysis. More detailed and complex controls, which have been directed by both the legislative and executive branches of government, as well as the added attention and involvement of tribes in the development and implementation of the Bureau's programs have increased the intensity and volume of the workload associated with these activities.

Excepted Qualifications Standards Study ($+76,000; FTE 0): The Department of the Interior will establish Excepted Qualifications Standards applicable to positions in the Bureau of Indian Affairs (BIA). The proposed pilot plan for reviewing qualification standards is in accordance with the U.S. Court of Appeals (Preston vs. Heckler) court decision. The Bureau will participate with the Indian Health Service (IHS) in the review and development of qualification standards in series and positions common to both organizations. The Central Office, Division of Personnel Management will be responsible for coordinating the review, revising as appropriate and recommending any changes to the Department of the Interior for approval. Training sessions will be held for individuals who will participate in the study, and travel funds will be made available from this program.

Area Office Operations ($+61,000; FTE +15): All increase/decreases at area offices are direct results of the application of the Indian Priority System (IPS). This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages.

In fiscal years 1985, 1986 and 1987, Area Directors are making changes in organizational structure and staffing to accommodate the significant reductions in funding which were made in fiscal years 1983, 1984, 1985, and 1986.

The net increase in FTE (+15) has not resulted in a correspondingly large increase in funding ($+61,000) due to marginal decreases in funding at those area locations not increasing FTE.

C. Safety Management

Authorization: Numerous authorities exist for the various safety programs operated by the Bureau. These include: Executive Order 12196 requiring Federal Agencies to comply with applicable sections of the Occupational Safety and Health Act (29 U.S.C. 1910), P.L. 89-554 (5 U.S.C. 7901), the Federal Employees' Compensation Act (5 U.S.C. 8101), P.L. 83-766 (40 U.S.C. 491), Federal Aid Highway Act (23 U.S.C. 402), the Snyder Act (25 U.S.C. 13), and the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450).

Objective: To provide a safe and healthful working environment through the management of an aggressive safety and health program which minimizes the loss of human and material resources due to accidents or illnesses.

Base Program ($364,000; FTE 16): The Safety Management subactivity provides for the development, implementation, and review of a Bureau-wide multifaceted safety program. While the program is primarily executed by program management staff at the operating level, Safety Management employees provide overall program coordination, along with training and technical assistance, to program management. These Safety Management employees administer those programs required by, or established as a consequence of, statutes or other Federal Agency mandates such as the Occupational Safety and Health Act, the Federal Employees Compensation Act, the Indian Highway Safety Program, and the Federal Tort Claims Act.

Distribution:	Area Office	C.O.	Total
$000	100	264	364
(FTE)	(7)	(9)	(16)

Increase from FY 1987 Base: (Dollars in Thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
c. Safety Management	$	364	427	+63
	(FTE)	(16)	(13)	(-3)

Area Offices ($+63,000; FTE -3): The increase in funding and decrease in FTE for Safety Management is a direct result of the application of the Indian Priority System (IPS) at area offices. This system allows Area Directors to establish program funding levels and to rank, in order of priority, program packages. Some areas have increased the funding for travel and other staff support costs rather than for increased FTE so that existing staff may more effectively provide support to the safety program at agency and school sites. Other areas have reduced FTE for the program and assigned the function as a collateral duty to other Administrative Services or Facilities Management positions.

D. Improve Financial Accounting System

Objective: To continue short-term improvements to correct internal control weaknesses and maintain the current operating system concurrently while developing and designing other long-term system upgrades.

Base Program ($170,000; FTE 0): The Bureau has continued to work on interim maintenance and short-term improvements to its existing Financial Management System pending the completion of the Financial Integration Review for Management (FIRM) study which is being conducted by the Department of the Interior.

Further improvements in the system integrity controls are required to strengthen internal controls. These corrective actions include extensive training of field financial operations staff to improve the competence to an acceptable performance level; cyclical on-site follow-up review to assure actions to correct previously identified material weaknesses are being taken and are effective; and intensive ongoing monitoring of financial system input stations to assure compliance with GAO, the Department of Interior, and Bureau policies and procedures for financial control.

Increase from FY 1987 Base:

(Dollars in Thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
D. Financial Accounting System	$	170	500	+330

The short-term system enhancements, which are in various stages of development and implementation, will require ongoing system maintenance and updating in FY 1987. A standard Department-wide financial accounting system will be defined during FY 1986 based on decisions resulting from the FIRM recommendations. As currently projected, the Bureau would not implement the new system until 1990. The requested increase will be used to improve the effectiviness of the Bureau's Financial Accounting System and correct internal control weakneses. Specifically, in FY 1987, a commitment accounting system (COM-MIT) will be implemented, which will allow managers to record their fund commitment decisions in the finance system and to track these decisions on an as-needed basis. An accounts receivable sub-system to improve the administrative billings and collection processes will also be implemented.

Object Class Distribution - Management and Administration Subactivity

	FTE	Amount
Total Personnel Compensation (FTE)................	+11	$ +425,000
Personnel Benefits................................		+43,000
Travel and Transportation of Persons..............		+100,000
Transportation of Things..........................		+50,000
Printing and Reproduction.........................		+20,000
Other Services....................................		+264,000
Supplies and Materials............................		+146,000
	TOTAL	$+1,048,000

Justification of Program and Performance

Activity: General Administration
Subactivity: Automatic Data Processing Services

(Dollar amounts in Thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Central Management	$ (FTE)	3,161 (91)		3,161 (91)	3,269 (91)	+108 (---)
B. Central Management System Support	$ (FTE)	8,173 (---)		8,173 (---)	5,923 (---)	-2,250 (---)
C. Decentralized System Support	$ (FTE)	2,631 (40)		2,631 (40)	2,631 (40)	--- (---)
D. Bureau Mission System Support	$ (FTE)	3,666 (---)		4,678 (---)	4,678 (---)	--- (---)
E. Small Computer Pilot Projects	$ (FTE)	--- (---)		--- (---)	300 (---)	+300 (---)
F. Tribe/Agency Operations	$ (FTE)	95 (---)		--- (---)	--- (---)	--- (---)
G. Area Office Operations	$ (FTE)	208 (---)		--- (---)	--- (---)	--- (---)
H. Equipment Acquisition	$ (FTE)	--- (---)		--- (---)	850 (---)	+850 (---)
Total Requirements	$ (FTE)	17,934 (131)	17,163 (---)	18,643 (131)	17,651 (131)	-992 (---)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Automatic Data Processing Services	$17,934	$-771	$17,163

As a result of the P.L. 99-177 reduction, computer memory and scheduling productivity improvement mandates will be imposed on users of the Martin-Marietta Data System (MMDS) network, and economies will be gained from computer equipment maintenance contract competition.

Objective: To operate a viable, computer-oriented data processing function in support of the Bureau's programs, organizations, and administrative systems.

Base Program ($18,643,000; FTE 131): The base for the Bureau's automatic data processing services for FY 1987 follows the same structure as that used in FY 1986. The amounts appropriated for direct ADP costs and transfers from other programs have been spread among four categories: Central Management, Central Management System Support, Decentralized System Support, and Bureau Mission System Support.

One additional amount completes Bureau FY 1986 ADP funding: $579,000 for the Education Management Information System (MIS), which is described and funded as indicated under the School Operations section.

A. Central Management ($3,161,000; FTE 91): This amount will be allocated for the costs of the central office staff (Washington, D.C. only) and for the National Technical Support Center (NTSC), formerly named the National Computer Center (NCC), in Albuquerque, New Mexico. The central office provides national program direction through the Office of the Director, Policy and Planning Staff, and the ADP Central Management Division. The NTSC, the principal Bureau computer center, provides services of computer operation, production control, and telecommunications management. Both offices incur salaries, benefits, travel, communications, and office expenses.

B. Central Management System Support ($8,173,000; FTE 0): This amount will be allocated mainly for the costs of these central lifeblood ADP systems: Area and Agency Distributed Interchange Executive (AADIX) and Martin-Marietta Data Systems (MMDS) network accessed via GSA's Teleprocessing Services Program (TSP). AADIX costs are attributed to Burroughs computers (leased equipment and maintenance), Racal-Milgo modems (leased equipment and maintenance), and AT&T telecommunications lines (line usage charges). MMDS (TSP) will provide computer teleprocessing to support Bureau users nationwide. In addition, Central Management System Support funding is planned for data preparation (keystroke transcription), NTSC hardware maintenance and software lease, and software development by "Buy Indian" contractors.

C. Decentralized System Support ($2,631,000; FTE 40): This amount will be allocated for the ADP Services costs of salary, benefits, travel, training, telecommunications, and office expenses of the six Information Management Centers (IMC's), and a support center in Juneau, Alaska, which provide data processing support to 12 Area Offices.

D. Bureau Mission System Support ($4,678; FTE 0): This amount will fund systems operated by four organizations which carry out Bureau mission programs: the Offices of Indian Education Programs, Indian Services, Trust Responsibilities, and Administration. The base amount includes a base transfer of $1,012,000 of ADP operations funding formerly requested under Management and Administration for Financial Management Systems.

Funding for the Office of Indian Education Programs is included within this program, as previously indicated. Funding for the Office of Indian Service's ADP systems (Social Services, Law Enforcement, Tribal Government Services, Financial Assistance, Judicial, and Self-Determination) will cover computer processing at the Bureau of Mines, including telecommunications terminals and line usage, data preparation, and software development contracting. Expenditures for the Office of Trust Responsibilities will fund purchased and leased equipment and data processing services provided commercially and from state and Federal agencies, which support the functions of land record information for real estate services, bridge and road design, appraisals and statute research, and investment analysis.

F. & G. Tribe/Agency and Area Office Operations(0): A total of $95,000 for Tribe/Agency operations and $208,000 for area office operations were transferred in the base to the Tribe/Agency and area office priority systems to correct budgeting errors made in FY 1986. These funds have been added to the Administration portions under those activities.

Overall BIA ADP Program

The Office of Data Systems (ODS) was established within the Bureau in October 1983 by Secretarial Order No. 3098, dated October 24, 1983, as directed in the FY 1984 House Appropriations report language, to direct the Bureau's ADP program. This office is charged with restructuring the Bureau's resources to meet the requirements for ADP services and to respond to the directives and guidance of the Congress and the Department to correct identified deficiencies in ADP management throughout the Bureau.

As staffing continues to bring the office up to its authorized FTE level, steps are being taken to permit the selective, controlled introduction of microcomputers and ensure cost avoidance through cancellation of existing leases, return of unneeded equipment and supplies, and the conversion of leases to purchases where cost-effective. Elimination of six Harris computers saves $46,000 annually. Lease cancellation of excess equipment and lease-to-purchase conversion of AADIX hardware yields a FY 1985 cost avoidance of $2.4 million and will yield over $3 million in FY 1986. These savings will be used to supplement systems operations and development costs in FY 1986.

Among the programs or systems supported by the Office of Data Systems are social services (welfare checks), individual Indian monies (payments to beneficiaries of trust funds), forestry (timber sales receipts), land records, real and personal property, irrigation (water user charge receipts), finance/accounting, personnel, and payroll.

The policies, standards, and management direction for the Bureau's ADP services come from the ODS in Washington, D.C. The operation and maintenance of existing data systems for areas, agencies, and tribes is provided primarily through the National Technical Support Center (NTSC) in Albuquerque; the six Information Management Centers (IMC's), which are located in Aberdeen, Albuquerque, Anadarko, Billings, Phoenix and Portland; and a support center in Juneau. Collocation of the Albuquerque IMC with the NTSC eliminated one entire minicomputer. Standardized hardware and operating systems, a new computer usage accounting system, and technical consultant support improved each IMC.

Technical assistance in, and administrative control of, Bureau computer information, technology, and hardware support is accomplished through ODS. This organization directs the implementation and operation of a cost-effective, modern information resources capability within the Bureau, and it will be the basis for institutionalizing the operations of the teleprocessing system, serviced under contract with Martin-Marietta Data Systems, and the social service system operated on the Bureau of Mines (BOM) computer. Enhanced information resources include a Bureau Property System, Financial Accounting and Documentation System, an access switch to the BOM computer, and continuing development of a nationwide Oil and Gas Royalty Distribution System.

The Director of ODS continues need assessment reviews with each program and area director to measure the priorities and scope of ADP services currently being provided from all sources and to direct a user-oriented, cost-effective program of ADP services throughout the Bureau. Management improvement plans and standard procedures and forms for requests for data services, project planning, and programming requests have been established.

The Bureau believes the organization and management strategies being implemented are the best ways to resolve specific issues and to correct the many ADP problems which have developed in the past decade. The Bureau will continue to provide reports to the Appropriations Committees on the progress of our ADP services program. The Bureau will also report to the Committees on indirect ADP expenditures (those costs covered through Bureau contracts) so that the total cost of the ADP program is available for review.

As plans evolve in FY 1986 and economies are realized, some readjustments may be necessary. A subdivision of ADP costs for FY 1987 based on an anticipated total funding level of $18,191,000 is as follows:

ADP Category		FY 1987 Costs
A. Central Management		$3,269,000
B. Central Management System Support		5,923,000
AADIX	$ 1,587,000	
MMDS (TSP)	3,250,000	
Data Preparation	315,000	
NTSC Hardware & Software	21,000	
"Buy Indian" Contractors	750,000	
C. Decentralized System Support		2,631,000
Burroughs Technical Consultants	861,000	
Area Office ADP and IMC's	$ 1,770,000	
D. Bureau Mission System Support		4,678,000
*Education	-0-	
Indian Services	2,483,000	
Trust Responsibilities	754,000	
Other Direct Funding	1,441,000	
PAY/PERS ($1,403,000)		
IPS ($38,000)		
E. Small Computer Pilot Projects		300,000
H. Equipment Acquisition		850,000
Total Estimated FY 1987 Cost (Direct)		$17,651,000

Recapitulation - Sources of Funds:	
ADP Services direct funding	17,651,000
*Education (School Operations--MIS Program)	540,000
Total ADP funding	$18,191,000

*These applications are described and funded as indicated under the program narratives of other sub-activities.

Increase/Decrease from FY 1987 Base: (dollar amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
A. Central Management	$	3,161	3,269	+108
B. Central Management System Support	$	8,173	5,923	-2,250
E. Small Computer Pilot Projects	$	---	300	+300
H. Equipment Acquisition	$	---	850	+850

A. Central Management (+$108,000): This increase is needed to fully fund the ODS central office staff costs which assumes completion of all approved staffing actions during FY 1986.

B. Central Management System Support (-$2,250,000): ODS anticipates a reduction in the cost of Central Management System Support due to cost savings of $2,250,000 resulting from lease-to-purchase conversions of computer hardware and peripheral equipment. These savings are partially offset by the increases listed below.

E. Small Computer Pilot Projects (+$300,000): ODS intends to create small computer pilot projects for individual offices at different organizational levels in the Bureau. The implementation, installation, and training necessary for sixty (60) small computer systems at a cost of $5,000 per system is proposed for applications including Data Processing, Word Processing, Data Base Management, and Electronic Spreadsheeting. Computer users at agencies, schools, area and central offices, and top management components would be provided with stand-alone or AADIX-network-linked computational and information retrieval capabilities.

H. Equipment Acquisition (+$850,000): The ODS intends to procure $850,000 in ADP systems equipment: $500,000 for the Indian Integrated Resource Information Program (IIRIP); and $350,000 for Trust Funds Management. The $500,000 for IIRIP, a program which is described and funded as indicated under the Natural Resources, General section, will permit acquisition of Geographic Information System (GIS) hardware. This will consist of microcomputer workstations and a minicomputer to be located at the GIS office in Lakewood, CO, to provide support for GIS field operations and personnel training. The $350,000 for Trust Funds Management, a program described and funded under the Real Estate and Financial Trust Services section, would obtain contracted analysis, design, hardware, software, training, and implementation of a microcomputer-supported Trust Funds Investment and Analysis System.

Object Class Distribution - ADP Services

	Amount
Travel & Transportation of Persons	$ +50,000
Supplies & Materials	+58,000
Other Services	-2,100,000
Equipment	+1,000,000
Total	$ -992,000

Justification of Program and Performance

Activity: General Administration
Subactivity: Employee Compensation Payments

(Dollar amounts in thousands)

Program Elements	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Employee Compensation Payments	$ 5,563		5,551	5,551	---
B. Office of Workers Compensation Prog. (OWCP) Chargeback	$ ---		---	72	+72
C. Unemployment Compensation	$ 1,915		1,915	1,915	---
Total Requirement	$ 7,478	7,156	7,466	7,538	+72

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Employee Compensation Payments	$7,478	$-322	$7,156

As a result of the P.L 99-177 reduction, funds may have to be reprogrammed within the Operation of Indian Programs Appropriation to reimburse the Department of Labor for expenses of the Employee Compensation Fund incurred during the 1984-85 expense period.

A. Employee Compensation Payments

Authorization: 5 U.S.C. et. seq. 39 Stat. 742. The Federal Employees' Compensation Act of September 7, 1916, as amended, provides compensation for disability or death and full medical care for civilian officers and employees of the U.S. Government who suffer injuries or occupational illnesses in the performance of their duties.

Objective: To provide for repayments of expenses to the Federal Employees' Compensation Fund.

Base Program ($5,551,000): The base program funding provides reimbursement to the Department of Labor for expenses of the Employees' Compensation Fund incurred during the 1984-85 expense period.

B. Office of Workers Compensation Program Chargeback System

Authorization: 5 U.S.C. et. seq. 39 Stat. 742. The Federal Employees' Compensation Act of September 7, 1916, as amended, provides entitlement to workers compensation benefits for any employee sustaining on-the-job injury or illness. Benefits include payment of medical expenses and compensation for the loss of wages as a result of the illness/injury.

Objective: To provide for repayments of expenses to the Federal Employees' Compensation Fund.

Base Program ($0): In previous fiscal years, the Bureau has taken this chargeback amount from the Operation of Indian Programs Appropriation.

Increase from FY 1987 Base:

(dollar amounts in thousands)

Program		FY 1987 Base	FY 1987 Estimate	Difference
B. Office of Workers Compensation Program	$	---	+72	+72

The proposed increase of $72,000 will be used to establish a chargeback system linking the Department of Labor billings to the specific Bureau organization where the accident/illness occurred. Each quarter the Department of Labor (DOL) transmits a computer generated magnetic tape of data on all employees/ survivors who are receiving these benefits to the Department of the Interior. BIA is proposing to use the DOL data and create a new data base of only Bureau data. Then, using Bureau personnel data, any significant data would be added to the new data base, thereby establishing a final new data base. Two quarterly and year end reports will be generated from the new data base. The first report will indicate all unmatched records with Safety Management Information System (SMIS) Bureau subset. The second report will indicate the dollar amounts of benefits paid, sorted by Areas and Agencies.

This chargeback program will promote safety for the employees and produce significant monetary savings to the Bureau through a reduced Bureau chargeback. Since the money for employee compensation benefits will come out of local budgets, managers will have greater incentive to improve their safety programs in order to reduce this expense.

C. Unemployment Compensation

Authorization: P.L. 96-499. The Omnibus Reconciliation Act of 1980 requires that each Federal agency pay the cost of regular and extended benefits paid to its former employees by State employment security agencies for Federal service performed after December 31, 1980, and deposit such payments quarterly into the Federal Employee Compensation account in the U.S. Treasury.

Objective: To provide repayment of unemployment compensation charges to the Department of Labor.

Base Program ($1,915,000): The funding provides reimbursement for unemployment compensation payments to former Federal employees who are eligible for compensation benefits if affected by reduction in force, expiration of temporary appointment, or resignation due to permanent change in station.

Object Class Distribution - OWCP

	Amounts
Other Services	$72,000

Justification of Program and Performance

Activity: General Administration
Subactivity: Program Management

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
A. Construction	$	2,438		3,566	4,066	+500
Management	(FTE)	(61)		(77)	(77)	(---)
B. Education	$	2,082		2,082	2,082	---
Program Mgmt.	(FTE)	(37)		(37)	(37)	(---)
Total	$	4,526	4,326	5,648	6,148	+500
Requirements	(FTE)	(98)		(114)	(114)	(---)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Program Management	$4,520	$-194	$4,326

The impact of the P.L. 99-177 reduction would be that several vacant positions in the central office staff would not be filled during FY 1986. These positions would normally support the Facilities Improvement and Repair, Design and Construction Program and the Education Program Management function. The result of not filling positions would be that this workload would have to be accomplished by the remaining personnel, leading to delays and increasing potential for errors in work performed.

A. Construction Management

Objective: To provide for the management of a program to plan, design, construct, and repair adequate and safe facilities. Also, to continue to provide the overall supervision and management of the Construction, FACCOM, and Operation and Maintenance programs.

Base Program ($3,566,000; FTE 77): The base program provides funding and FTE for executing the Construction - Buildings and Utilities portion of this Justification, plus new design and additional construction projects. This responsibility requires funding for personal services, equipment, travel, management and accountability systems, and general logistical needs.

During FY 1986, the Bureau will manage ongoing construction projects. In FY 1987, a similar workload is expected, including the supervision of remaining projects financed by the FY 1983 Jobs Bill to rehabilitate Bureau-owned detention facilities. The facilities improvement and repair projects for FY 1987 require the services of the School Facilities staff to identify and plan future projects, and the Facilities Engineering staff to contract with vendors for design, construction, and construction supervision, which each managing and reviewing all phases of the overall process for which they are responsible.

The School Facilities staff also provides for the proper equipping of school facilities. Bureau architects, engineers, and contract specialists are used in monitoring the contracting activities. The Facilities Engineering staff FACCOM also develop, operate, and maintain management information systems for the Construction (B&U) and Facilities Management (Operation and Maintenance) programs. Eleven FTE are included in the base program for this purpose.

The funds transferred to the FY 1987 base to Construction Management from Facilities Management are as follows:

1. Construction Supervision ($392,000; FTE 0) - This program, operated through contract, assures that buildings are constructed in accordance with plans and specifications, and reduces the possibilities for fraud, waste, and abuse.

2. Boiler Repair ($98,000; FTE 0) - This program utilizes the services of professional firms through contracts to provide inspections and certifications of boilers, firetrains, and pressure vessels in Bureau facilities. This critical life safety task must be performed yearly.

3. FACCOM Staff ($304,000; FTE 6) - The Bureau is currently using the FACCOM/OMS system to provide an accurate, documented update of the Bureau's facility inventory. The FACCOM system will provide information required by management for developing annual budgets, and for making policy and program decisions, provide current information to assist operating or facilities managers to manage programs, and enhance the development of timely reports, as required.

4. Facility O&M Central Office Staff ($334,000; FTE 10) - This staff coordinates the Bureau's Facilities Management responsibilities, deals with other Federal agencies, evaluates performance of field programs, and develops program policy recommendations for line management. Engineers, communication specialists, technical and clerical support personnel are used in this management function.

Increase for FY 1987: (dollar amounts in thousands)

Program Elements		FY 1987 Base	FY 1987 Estimate	Difference
Construction Management	$	3,566	4,066	+500
Facility Safety Inspection		---	(200)	(+200)
Space Utilization/Demolition		---	(300)	(+300)

Justification: This increase represents, in part, the offsetting decrease of $300,000 from demolitions savings under the Existing Facilities O&M program. This increase will be applied to (1) the Facility Safety Inspection Program (+$200,000) to perform more frequent inspections through contract to identify life safety work necessary to be corrected in Bureau facilities, and(2) the Space Utilization/ Demolition Program (+$300,000) to identify, through contract, Bureau facilities that are underutilized or that can be demolished. Excess buildings have been abandoned due to uneconomical rehabilitation costs. The buildings are "boarded up"; however, they present a hazard to curious children, vagrants, etc., and should be demolished as soon as possible. Underutilized or unused facilities are costly to secure and maintain, and the program will result in substantial savings of operation and maintenance costs.

B. Education Program Management

Authorization: 25 U.S.C. 2008-2325, the Education Amendments of 1978 (P.L. 95-561), provide for line authority administration of all Indian Education Programs by the Office of Indian Education Programs (OIEP). The law also mandates responsibility for direct formula funding to Bureau elementary and secondary schools and emphasizes local decision-making for Indian School Boards.

Objectives: To provide Bureau-level direction and control by establishing or revising education policies and/or procedures that will result in the provision of a comprehensive and quality education program meeting specialized learning needs of federally recognized Indian students not attending public or sectarian schools. These needs include bilingual/bicultural education; residential care programs with developmental guidance; fiscal resources for the operation of early childhood, elementary, secondary and postsecondary school programs/services, either directly by the Bureau or by tribal contract; programs for exceptional students; and Chapter I. OIEP also provides direction for: (1) activities for adults through the Adult Education Program; (2) Tribally Controlled Post-Secondary institutions; and (3) Scholarship Programs for both graduate and undergraduate Indian students.

Base Program ($2,082,000; FTE 37): The Director, Office of Indian Education Programs, provides line direction for all OIEP programs and systems through field line offices and through central office staff. Authorities and responsibilities of the Director, OIEP include policy analysis, formulation, and implementation; management systems development, implementation, and evaluation; program planning, oversight, and evaluation; allocation and expenditure of appropriated and flow-through funds; and personnel management of education staff at all levels of the organization.

The Director, OIEP exercises line authority and control over field office education programs which, in turn, supervise Bureau off-reservation residential schools, peripheral dormitories housing Indian students attending public schools, local on-reservation day and boarding schools, and three Bureau post-secondary institutions. The Director, OIEP is assisted by a Deputy Director, three Assistant Directors, and program support staff at the central office level.

Object Class Distribution - Program Management Subactivity

	Amounts
Other Services	$500,000

Justification of Program and Performance

Activity: General Administration
Subactivity: Consolidated Training Program

(Dollar amounts in thousands)

Program Element		FY 1986 Enacted to Date	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From 1986	Inc. (+) Dec. (-) From Base
Federal Indian Service Officer Development	$	---	---	1,350	+1,350	+1,350
Program	(FTE)	(---)	(---)	(---)	(---)	(---)
Total	$	---	---	1,350	+1,350	+1,350
Requirements	(FTE)	(---)	(---)	(---)	(---)	(---)

Objective: To provide a centrally controlled training program to comply with legal and regulatory requirements unique to the Bureau of Indian Affairs. To train and qualify Bureau employees, and specifically Indians, to plan and operate Bureau programs.

Base program: The proposed Federal Indian Service Officer Development Program is described in the Increase section below.

Increase from FY 1987 Base:

(dollar amounts in thousands)

Program Element		FY 1987 Base	FY 1987 Estimate	Difference
Federal Indian Service Officer Development	$	---	1,350	1,350
	(FTE)	(---)	(---)	(---)

The FY 1985 Senate Appropriation Report Language directs that "...the BIA should supplement the use of proper standards by serious efforts to train and recruit qualified Indians to improve the quality and efficiency of the services provided by the BIA...."

Since the Supreme Court landmark decision in Morton v. Mancari on Indian Preference in employment (1974) and the passage of the Indian Self-Determination and Education Assistance Act (1975), which presented a major cornerstone in the ultimate realization of self-governance, and the Preston v. Heckler court decision concerning special qualification standards for Bureau employees, a new and prominent meaning has been given to government service in Indian Affairs. Over the past decade, the need for competent, highly professionalized personnel to staff the Bureau has greatly accelerated. The Bureau has not fared well in meeting these demanding needs, and the relative value of service to Indian people has lessened. There has, during the past several years, been an appreciable drain on long-term institutional experience at the mid and top grade levels of the Bureau. The retiring and transferring non-Indian employee group constitutes a high percentage of mid-and top-level management staff. Their departure places the Bureau at a disadvantage, since very few Indians have been designated and trained to fill these positions. Therefore, unless this is accomplished immediately, there will be a serious disruption of management continuity. Management has thus far not been greatly successful in recruiting and developing Indian employees as replacements. As a result, there is expected to be future expertise voids and weaknesses in some grades and job categories unless early corrective action is taken to place management priority on this sensitive organizational need.

During the past four years, the Bureau has taken a number of steps which have been helpful to strengthen employee recruitment and development. Over the short term, a system of better career management can be implemented to meet the basic needs. For the long term, however, the Bureau needs to work on deeper problems of human resource management. There is a pressing need to educate and motivate capable Indians to develop careers in the Federal service. To do this, the Bureau must develop and instill a strong fundamental understanding of the needs of Indian service and the legal, social, and administrative structure upon which such service rests.

The Bureau proposes to establish an education and training program to provide in-service training and formal educational opportunities for Indians who seek successful careers with the Bureau. This approach has been successfully implemented by other Federal agencies which, like the Bureau, have special and immediate needs to train and educate large numbers of people. The Bureau strongly advocates a concept that academic and training institutions provide the best learning opportunities because of their established purpose. In addition, once they have developed a curriculum of study, they can continue to provide and update these courses routinely without new high costs each year. The Bureau has in the past relied heavily on private contractors to meet specialized training needs. The results have generally been minimal and transitory, since there is no guarantee that the same contractor will be available to continue the training in future years. Therefore, this program will rely, where appropriate, on established academic and training institutions to develop and provide curriculum to meet the Bureau's training and education needs. This effort will be reinforced by in-service training and orientation.

The proposed education and training program will be centrally managed. Training and education requirements will be identified, justified and presented to the Assistant Secretary - Indian Affairs for determination of priority.

The proposed funding will be used to develop the plans and curriculum for implementation; for individual training expenses, including course fee/tuition, in some instances, reimbursement of salary, travel, and per diem/subsistence; and for instructors, materials, and facility expenses.

The Bureau will develop an action plan by May 1986 including identification of specialized training/education to be funded in FY 1987. Needs currently include:

A. Social Worker certification as Masters of Social Work
B. Departmental Management Development Program
C. Contracting Officer - warranting at the 1-4 levels
D. Executive/Management Development
E. Trust Fund Management
F. Royalty Management
G. Entry Level Program (Career Ladder)
H. Cooperative Education
I. Understudy Program

Object Class Distribution - Consolidated Training Program

	Amount
Travel and transportation of persons..................	+ 100,000
Other Services..	+1,200,000
Supplies and Materials...............................	+ 50,000
TOTAL	$+1,350,000

Activity Summary

(dollars in thousands)

Activity: Tribe/Agency Operations

Subactivity (program)	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc./(Dec.) FY 1987 Est. over 1987 Base
Tribe/Agency Operations Total				301,424	295,088	(6,336)

Justification of Program and Performance

Activity: Tribe/Agency Operations

(dollar amounts in thousands)

Program Elements		FY 1986 Enacted to Date	FY 1986 Adjusted Approp. 1/	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
General Operations	$	--	--	187,356	184,646	-2,710
	(FTE)	(--)	(--)	(1,393)	(1,432)	(+39)
Trust Operations	$	--	--	92,931	92,980	+49
	(FTE)	(--)	(--)	(1,825)	(1,785)	(-40)
Management Operations	$	--	--	18,147	17,462	-685
	(FTE)	(--)	(--)	(494)	(496)	(+2)
New Tribes Funding	$	--	--	2,990 a/	--	-2,990a/
	(FTE)	(--)	(--)	(--)	(--)	(--)
Total Requirements	$	--	--	$301,424	$295,088	-6,336
	(FTE)	(--)	(--)	(3,712)	(3,713)	(+1)

Gramm-Rudman-Hollings Impact 1/

	FY 1986 Enacted To Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Tribe/Agency Operations	--	--	--

1/ In FY 1986, all funding and FTE for this proposed activity are included in the other budget activities in the OIP account. Therefore, the Gramm-Rudman-Hollings Impacts are recorded in those budget activities.

Objective: To provide for local operations and direct delivery of services to tribes, individual Indians, and Native Alaskans.

Base Program ($301,424,000): In 1987, it is proposed that all funding for tribe/agency operations which are included in the base funding under the Indian Priority System (IPS) be justified under one budget activity rather than under each separate activity and subactivity contained in this Appropriation. This allows the Bureau to display and justify in total all funding which supports stable and continuing programs that are subject to local tribal priorities rather than programmatic and national priorities. It also provides a vehicle for funding consolidated (block) grants/contracts/agreements requested by tribes pursuant to P.L. 93-638.

The funds requested to support the Tribe/Agency Operations activity are grouped under three categories supporting three major roles and responsibilities which are inherent in the Bureau's mission.

1. General Operations--to provide services to Indians as a surrogate for those tribes who have neither the resources nor governmental capabilities to carry out such governmental services.

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a/ The New Tribes funding has been distributed by program using the priorities of the tribes involved.

2. Trust Operations--to carry out the trust responsibilities which the Federal Government has identified for itself; of protecting and developing Indian owned natural resources; and managing the income derived from these resources.

3. Management Operations--to act as the public trustee and overall manager for Federal resources used to provide services described under the Tribe/Agency Operations activity.

The direct involvement of tribal government in the development of the Bureau of Indian Affairs annual budget requests was initiated in the early 1970's and is in keeping with the provisions of the Indian Reorganization Act of 1934 (48 Stat. 948; 25 U.S.C. 461 et seq.) and the Indian Self-Determination and Education Assistance Act of 1975 (188 Stat. 2203; 25 U.S.C. 450).

Section 16 of the Indian Reorganization Act (25 U.S.C. 476) includes language as follows:

> "The Secretary of the Interior shall advise such tribe or its tribal council of all appropriation estimates or Federal projects for the benefit of the tribe prior to the submission of such estimates to the Bureau of the Budget [now OMB] and the Congress."

The Tribe/Agency Operations request for FY 1987 includes funding for local service programs which are planned and operated at the Tribe/Agency level and some programs which are consolidated at the area office level but offer direct services to tribes and individuals. The funding levels for these local programs are determined during the annual budget development process in consultation with the tribes being served. The tribal consultation effort for FY 1987 was carried out during May and June, 1985. The tribe(s) served by each agency office is (are) offered the opportunity to be directly involved in establishing funding levels for each program and ranking each program in terms of relative priority. Based upon the funding and staffing "base" information provided in the FY 1986 President's request for tribal priority programs, each Agency Superintendent consulted with the tribal government(s) on the levels of funding to be requested in FY 1987. The tribe(s) was asked to set priorities by ranking four alternative funding and staffing "packages" for each program. Unless either the Superintendent or Area Director believed that essential Federal responsibilities could not be met by the tribal priorities, changes were not made to the tribes' program rankings. Any decision by these line officials contrary to the tribe's wishes can be appealed by the tribe(s) to the Central Office for resolution during the planning process.

The funding, staffing, priority, and other explanatory data developed during the planning process at the Tribe/Agency level are entered into the Bureau's computer based budget development system which is called the Indian Priority System (IPS). These data are used at the national level to determine the programmatic distribution of funding for the Tribe/Agency Operations portion of the Bureau's annual budget request.

To the extent possible, the priorities expressed by the tribes are maintained unchanged throughout the budget process. The national decisions affect only the overall funding level for all Tribe/Agency Operations programs as a group and usually do not adjust individual program requests. At times programs are added or removed from the tribal priority process, usually based upon legislative action. Appropriation action on the base year budget also affects program funding amounts which may require adjustments during the planning year.

Tribal priorities are considered for the consolidated programs operated at the Area Office level which provide direct services to the reservation or tribal level. However, the involvement of tribes in setting priorities is less direct. Each Area Director has established consultation procedures to obtain as much advice as possible on the program priorities of each tribe being served. This advice is consolidated and used to develop the funding levels and priority of of these consolidated operations which are referred to as Area Field Operations programs. Area Field Operations data are also entered into the IPS data base for use at the national level. The Area Field Operations programs are consolidated with the programs operated at the Tribe/Agency level for purposes of overall budget development.

The overall funding level requested each year for these programs as a group is decided at the national level. The priority data contained in the IPS data base are used to determine the specific amounts requested at each Tribe/Agency location for each program included in the tribal priority process. In FY 1987, the overall funding level for Tribe/Agency Operations (including Area Field Operations) has been adjusted to include all funds which support stable and continuing programs at the tribe/agency level. The overall amount of the Bureau budget was not increased in making this transfer of funds to this budget activity.

The summarized program base FTE and funding levels and the narrative base program desciptions follow.

		FTE	$000
	General Operations	(1,393)	(187,356)
1.	Scholarships	--	29,367
2.	Adult Education	21	3,543
3.	TCCC's Supplement to Grants	--	892
4.	Community Services, General	3	1,093
5.	Agric. Extention Services	--	680
6.	Other Aid to Tribal Gov't	106	11,503
7.	Tribal Courts	22	9,234
8.	Social Services	170	21,311
9.	Law Enforcement	493	45,965
10.	Self-Determination Grants	--	11,385
11.	Trng./Tech. Assistance	39	2,000
12.	Community Fire Protection	--	828
13.	Credit and Financing	66	3,301
14.	Adult Vocational Training	69	19,311
15.	Other Empl. Assistance (DE)	18	4,193
16.	Road Maintenance	386	22,750
B.	Trust Operations	(1,825)	(92,931)
1.	Natural Resources, General	6	1,116
2.	Agriculture	441	20,279
3.	Forestry	634	23,509
4.	Water Resources	6	1,565
5.	Wildlife & Parks	16	17,796
6.	Minerals and Mining	36	1,738
7.	Trust Services, General	5	354
8.	Environmental Quality Services	14	582
9.	Other Rights Protection	74	4,832
10.	Real Estate Appraisals	94	3,839
11.	Other Real Estate Services	361	13,958
12.	Financial Trust Services	138	3,363
C.	Management Operations	(494)	(18,147)
1.	Executive Direction	174	7,225
2.	Administrative Services	310	10,589
3.	Safety Management	10	333
D.	New Tribes Funding (details determined by 1987 priorities)	(--)	(2,990)
	TOTAL TRIBE/AGENCY 1987 BASE	(3,712)	301,424

A. General Operations

1. Scholarships

Base Program ($29,367,000; FTE 0): The Higher Education Program provides financial aid to eligible Indian/Alaska Native students to attend accredited post-secondary institutions which will enable them to meet their educational goals, develop leadership abilities, and increase their employment opportunities in professional fields so that they may contribute to the economic and social goals and objectives of the various tribes.

The program provides for grants to students who meet the following eligibility criteria: (1) Indian, Eskimo, or Aleut whose blood quantum is one-fourth degree or more; (2) member of tribe(s) which is federally recognized; (3) admitted for enrollment in an accredited college or university program leading primarily to a baccalaureate degree; and (4) financial need as determined by the institution's financial aid officer. A Certificate of Degree of Indian Blood or other proof of Indian blood certified by the Tribal Enrollment Office of the Bureau must be a part of the student's application. School operations staff at the Area and Agency office level provide supervision for this program. The funding level for this program is set by tribes through the Indian Priority System. Table 1 provides statistical and historical data for selected years (1949, 1960, and 1970) and for 1979 through 1987 to indicate the increasing importance of this program for Indian/Alaska Natives. The table also reflects the rising cost of education and the related tribal contract program direction costs.

The financial aid "package", completed and certified by the institution's financial aid officer, serves as the principal basis for determining the Bureau grant amount. The Bureau grant award, combined with the package of any other assistance, cannot exceed the institution's determination of the student's need as stated in 43 CFR 674.15, and 676.15, Coordination with Bureau of Indian Affairs Grants in-Aid.

The extent of unmet need, loans, and work-study portions of the financial aid package is dependent upon the priority budgeted amount from tribes and the number of eligible students expected to apply from a particular tribe. Thus, students would be provided proportionately less when a larger than anticipated number of eligible students apply. Table 2 shows the estimated distribution of the funding sources for Indian students at the post-secondary level. The Bureau contribution is approximately 37 percent of the total assistance required in FY 1986.

Workload Data:

TABLE 1 - HIGHER EDUCATION GRANT PROGRAM

						Tribal Contracts	
Fiscal Year	Appropriation	No. of Students Assisted	Average Grant Size a/	No. of Graduates	No. of Tribal Contracts	Program Direction Costs ($) and as % Appropriation	
1949 b/	$ 9,390	78	$ 120	1	0	$ --	
1960	250,000	612	408	65	0	--	
1970	3,848,000	4,271	873	286	6	120,000	(3.1%)
1979	26,575,600	14,904	1,695	1,965	32	1,310,000	(4.9%)
1980	27,398,300	15,895	1,626	1,420	38	1,556,000	(5.7%)
1981	26,918,700	15,724	1,587	1,290	48	1,964,640	(7.3%)
1982	27,371,000	16,100	1,569	1,289	57	2,110,364	(7.7%)
1983	26,357,000	14,946	1,546	1,295	88	3,256,000	(12.4%)
1984	26,197,000	15,600	1,461	1,310	91	3,404,000	(13.0%)
1985	26,868,000	16,000	1,461	1,380	96	3,500,000	(13.0%)
1986	29,203,000 d/	15,600 c/	1,450	1,450	96	3,645,000	(12.5%)
1987	29,367,000 d/	15,600 c/	1,456	1,500	100	3,817,000	(13.0%)

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a/ Calculated by subtracting program direction costs and indirect costs from "Appropriation" and dividing by "No. of Students Assisted".

b/ First year of the Higher Education Grant Program.

c/ Estimated.

d/ Both direct costs and contract support funds are included in these totals beginning in FY 1986.

TABLE 2 - SOURCES OF FUNDING FOR HIGHER EDUCATION STUDENTS

	1985 Estimate		1986 Estimate		1987 Estimate	
Total BIA Grant Awards a/	$23,368,000	(40%)	$22,562,000	(37%)	$22,554,000	(35%)
Family & Student Contr. b/	11,688,000	(20%)	12,000,000	(19%)	12,500,000	(20%)
College Based Awards c/	19,610,000	(33%)	22,450,000	(36%)	23,000,000	(36%)
Other Public Sources d/	4,000,000	(7%)	5,000,000	(8%)	5,500,000	(9%)
	$58,666,000		$62,012,000		$63,554,000	

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a/ The total BIA Grant Award is the amount appropriated minus the program direction costs and indirect costs.

b/ Parent, student contributions.

c/ Pell Grant, Supplementary Educational Opportunity Grant, National Direct Student Loans, and College Work Study.

d/ Social Security, Veterans Administration, Welfare, State Grants, and Tribal Awards.

3. Adult Education

Base Program: Adult Education ($3,343,000; FTE 21): The Adult Education program provides educational opportunities and learning experiences to enable adult Indian/Alaska Natives to complete high school graduation requirements, acquire basic literacy skills, and gain new skills and knowledge to improve their functioning as individuals and as members of the community. The funding level for this program is set by tribes through the tribal priority system. Typical of the courses offered are: Adult Basic Education (ABE); preparation for the General Educational Development Test (GED); life coping skills courses such as budgeting, filling out applications, drivers training, and consumer awareness; instructional information services from federal, state, and tribal programs (i.e., medicare, social security, filing of federal and state taxes, entitlements, real estate, and trust services); continuing education courses designed to update the knowledge and skills of the participants (i.e., typing, shorthand, computer literacy, etc.); and community education classes of personal interest. This education program also encompasses special programs for the elderly.

Program staff members conduct needs assessment surveys, recruit participants, teach some of the courses, provide guidance and counseling with regard to educational, career, and employment opportunities, and coordinate the Bureau adult education program with other existing Federal and non-Federal programs and activities to develop occupational and related skills for Indian adults to enable them to become employable and productive members of society.

Workload Data:

In FY 1985, 75 tribes administered the Adult Education Program under P.L. 93-638 contracts; 13 programs are administered by Bureau Agency offices.

TABLE 1 - Appropriations, Number of Adult Education Programs and Participants, and Average Cost/Participant

Fiscal Year	Appropriation	No. of Adult Educ. Programs	No. of Adult Partic.	Average Cost per Participant
1982	$ 4,630,000	77	13,000	$ 356
1983	3,697,500	68	12,899	287
1984	3,767,100	88	16,607 a/	227
1985	3,474,000	88	13,500	257
1986	3,343,000 b/	92	12,000	279
1987 (est.)	3,343,000 b/	91	13,000	278

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a/ 1,930 adults were enrolled in Adult Basic Education,
3,400 adults were in GED preparation,
3,954 adults were in continuing education,
2,028 adults were in life coping skills, and
3,427 adults were receiving counseling.
16,607

b/ Includes contract support.

3. Tribally Controlled Community Colleges

Base Program: Tribally Controlled Community Colleges, Supplement to Grants ($842,000; FTE 0):

The Indian Self-Determination and Education Assistance Act (P.L. 93-638) states the role of the Federal Government is to provide comprehensive education programs and services for Indian/Alaska Natives. Community colleges are governed by a local board of regents, a majority of whom are Indian. This enables the sponsoring tribes to pursue educational goals for their people compatible with the needs and assessments of the tribes.

The Tribally Controlled Community College Assistance Amendments Act, 1983 (P.L. 98-192) authorizes grants to the colleges for academic and administrative purposes and for the operation and maintenance of the colleges.

Some tribes choose to supplement Bureau funding of the Tribally Controlled Community Colleges with funds available through the Indian Priority System. This amount totals $1,183,000 for FY 1987.

Workload Data:

Funding charts and student participation (ISC) data are provided in the Central Office/Area Office section under Continuing Education, Tribally Controlled Community Colleges.

4. Community Services, General

Base Program ($1,095,000; FTE: 31): This program provides funds primarily for staff at agencies who oversee all of the various Indian Services programs. Some agency funding is used for consolidated human resource programs that are operated by tribes under P.L. 93-638 contracts.

5. Agriculture Extension Services

Base Program ($650,000; FTE: 0): This program is one which the Bureau contracts with either State land grant colleges and universities or with the tribes. During FY 1985 the Bureau contracted with 9 colleges to provide technical advice and assistance in areas such as agriculture, soil restoration, crop rotation, animal husbandry, use of controlled substances, home extension services, and 4-H Club activities. Indian tribes which do not contract with State universities and colleges usually use the funding to hire their own extension agents and home economists. Approximately 100 tribes will benefit from this program during FY 1987.

6. All Other Aid to Tribal Government

Base Program ($11,503,000; FTE: 106): Approximately 75 percent of the tribe/agency funding is used for contracts between the Bureau and the tribes. During FY 1985 approximately 120 tribes and Alaska Native villages contracted with the Bureau in the following areas:

Program Areas	No. Tribes w/All Other Aid to Tribal Government Contracts
Comprehensive Planning	5
Tribal Enrollment	16
Tribal Administration - General	80
Work/Learn Programs	20

The Comprehensive Planning program is aimed at assisting the tribal governments to prepare or revise a plan that outlines a program of priorities and action for the development of all sectors of the community or reservation. The Tribal Enrollment program enables tribes to maintain and update tribal enrollment records for the purpose of making tribal per capita/dividend distributions, hold secretarial and tribal elections, and to identify tribal members for the purpose of exercising off-reservation treaty rights; i.e., hunting and fishing. The Tribal Administration-General program enables tribes to develop and update tribal government documents, develop policy, legislation and regulations in administrative support. The Work/Learn program is a cleanup program in and around Indian villages. In addition to cleaner villages, the program provides work opportunities and experience to Indian youth who are at least 13 years old, and not more than 20 years old, and are enrolled in high school. For programs operating during the summer, students who have completed the 8th through the 12th grades are eligible.

Workload Data:	Actual FY 1985	Estimated FY 1986	Estimated FY 1987
Judgment Fund Per Capita Payment Rolls	94	90	90
Tribal Rolls	182	183	180
Tribal Constitutions	185	200	200

7. Tribal Courts

Base Program ($9,234,000; FTE: 22): This program pays the personnel and administrative costs for the operation of 128 tribal courts and 20 courts of Indian offenses (courts established and operating pursuant to 25 CFR Part 11). These courts all enforce and adjudicate the criminal provisions of tribal law and order codes and, as is the case with courts of Indian offenses, the criminal provisions found in 25 CFR Part 11. They also adjudicate civil disputes based upon the same authorities cited above. The criminal and civil adjudication provisions enforced by Indian courts vary considerably in their coverage, sophistication and procedures. The main efforts to upgrade these tribal codes are assumed by the tribes themselves, with assistance provided by Bureau staff primarily at the area and central office program levels.

The courts of Indian offenses (which use Federal employees) differ from tribal courts only with respect to their jurisdictional authority for existence. Whereas the authority for the establishment and existence of tribal courts is generally found in tribal constitutions, courts of Indian offenses have no such authorization. They have been established by the Bureau of Indian Affairs primarily based upon a determination that a tribe has, or must, exercise civil and criminal jurisdiction over its members and a further finding that the traditional agencies for the enforcement of tribal law and customs have become inoperative, and no adequate substitute has been provided for them under Federal or State law. In instances where there has been such a declaration and finding, a ready-made set of laws and procedures has been provided for utilization until such time as the tribe, itself, adopts a tribal law and order code and begins enforcing that law. At the tribal level these funds are provided to pay for judges, prosecutors, defenders, clerks of court, probation officers, juvenile officers and a variety of other court-support personnel. Additionally, the program pays for the administrative operational expenses incurred in running a court system. At the start of the FY 1987 planning cycle, $115,000 was taken out of the "Special Tribal Courts" program and added to tribe/agency operations for new ongoing courts.

Tribal Courts

Workload Data:	FY 1984	FY 1985	FY 1986	FY 1987	Changes
Tribal Court Cases	157,000	185,000	221,000	230,000	+ 9,000
Courts Evaluated	25	25	20	25	+ 5
Tribal Codes Revised	30	30	40	40	

8. Social Services

Base Program ($21,311,000; FTE 170): The base program provides funds for 170 full-time equivalent Bureau employees as well as for 74 tribal social services contract programs. The breakdown of the Bureau staff FTE is as follows:

Social Workers	124
Clerical	46
Total	170

The tribal contract employee positions are not fixed in number and vary according to changes in contracts. A portion of the $21,311,000 is required for the general operational expense incurred for administering the entire Bureau-operated programs and by the tribal contract programs. These expenses include: staff development and training; travel; equipment; office operations; etc.

Bureau and tribal staff consist of trained social workers, para-professional social workers and clerical personnel. Their duties include receiving applications for assistance, determining eligibility, computing grant amounts, providing social casework counseling and other services including case review and follow-up. They also refer clientele to other needed non-Bureau programs.

The same staff which administers the overall program also provides: 1) counseling and other social casework services; and 2) technical assistance and professional expertise to tribal entities in developing tribal social services programs. Since their duties are encompassing and multifaceted, no distinction is made between costs incurred for counseling and costs incurred for administration, etc.

Workload Data: The monthly caseload for counseling is:

Fiscal Year	Number of Persons Counseling
1982 Actual	15,682
1983 Actual	15,726
1984 Actual	15,775
1985 Estimate	15,755
1986 Estimate	16,000
1987 Estimate	16,250

9. Law Enforcement

Base Program ($45,965,000; FTE 493): Individual treaties with Indian tribes, Congressional enactments, and Federal court decisions have created a unique criminal justice requirement on reservations where State and local units of governments have executive civil and criminal jurisdiction over offenses committed by persons of Indian descent, and for the enforcement of violations of Federal Law.

The development and operation of criminal justice systems by the Federal and tribal governments in providing police, detention and judicial services results from the lack of services by local units of State, county, and city governments. There are 24 states with 161 reservations where the Bureau and tribal governments provide these services to varying degree.

The Bureau uses criminal justice personnel to staff and operate the overall program. Staff include Criminal Investigators, uniformed officers, detention officers and radio dispatchers/clerks. The combined Federal/tribal Law Enforcement staff serve an estimated Indian population of 525,000 and patrol over 100,000 square miles of Indian Country, as well as a number of off-reservation treaty fishery sites.

There are four basic groupings of law enforcement personnel: criminal investigators; uniformed police officers; conservation officers; and non-uniformed personnel such as detention officers and radio dispatchers/clerks. Criminal investigators have the responsibility for investigating, arresting and assisting in the prosecution of Federal law violators. The 1,135 uniformed officers (including 825 tribal officers) provide patrol and protective services within Indian Country, including non-enforcement type services. The 13 Federal conservation officers concentrate primarily on enforcement aspects relating to Federal laws, treaty rights and tribal ordinances regarding hunting, fishing, and trapping within Indian Country and within designated off-reservation areas. Conservation officers are funded through the Wildlife and Parks program with the exception of the Umatilla and Hoopa Reservations where they are funded under the law enforcement program. Funding provided in FY 1987 will provide for approximately 60 patrol officers and supporting equipment. This will enable tribes and the Bureau to increase patrols, cut down in response time, provide police presence as a deterrent to crime.

Seventy-seven (77%) percent of the operating costs at the tribe/agency level are for salaries and benfits of criminal justice staff. The remaining twenty-three (23%) percent is to be used for automative operations and repair; Bureau operated or contracted detention services; travel and per diem evidence purchases; equipment rental; individual training; communications; supplies; etc.

The base also includes $7,841,000 for special law enforcement needs, intended to improve the overall quality of the law enforcement program. These funds were first appropriated in FY 1985 and were added to the tribal priority system at the beginning of the 1987 planning cycle.

Workload Data: The estimates below are provided as workload data for FY 1985, FY 1986, and FY 1987. The increased workload estimate for FY 1986 and FY 1987 reflects the impact of increased patrols, reduced response time and increased police reserves.

Law Enforcement Estimates:

	FY 1985 Estimate	FY 1986 Estimate	FY 1987 Estimate
Complaints Investigated	155,057	162,810 +5%	167,694 +3%
Non-Enforcement Duties Performed	64,034	665,725 +5%	685,697 +3%
Arrests	95,331	98,191 +3%	103,101 +5%
Traffic Violation Warning	32,908	34,882 +6%	36,626 +5%
Daily Detention Average	904	958 +6%	1,006 +5%
Crime Index Rate	2,025.3	2,127.0	2,191.0

10. Self-Determination Grants

Base Program ($11,385,000; FTE 0): The Division of Self-Determination Services will establish policy oversight for the grant program. The Division will continue to have responsibility for policy and program development as well as provide guidance and assistance to Central and Area Office Directorates relative to the program. In addition, it will also continue to process tribal appeals and waiver requests as well as monitor area office administration of the Self-Determination Grant program.

Section 104 of P.L. 93-638 authorizes grants to tribal governments as follows:

a. Strengthening or improving tribal governments primarily through the development and implementation of essential management systems.

b. Planning, training, evaluation or other activities designed to improve tribal capacity to enter P.L. 93-638 contracts or the additional costs associated with the initial year of program operation under such agreements.

c. Acquisition of land in connection with (a) and (b) as prescribed in related regulations pertaining to property management.

d. Tribal planning, designing, monitoring and evaluation of Federal programs serving the Indian tribe, so as to assure that programs presently offered or that could be offered to the tribe are responsive to tribal needs.

Federally recognized tribal governments apply for 638 grants in accordance with 25 CFR 272, "Grants under Indian Self-Determination Act." These regulations provide the procedure and criteria under which 638 grants are awarded to the requested tribe(s). To contract for Federal programs, a tribe must have viable personnel, financial, and property management systems in place and functioning.

Initially, P.L. 93-638 grants were awarded on a tribal population basis. They are now part of the tribal priority system. The amount requested reflects tribal priority needs related to a tribe's contracting capability and basic tribal program operational capacities. Self-Determination grants projects are under two major categories:

1. Projects, which establish or improve the tribe's capability to operate Federal programs under contract/grant/cooperative agreeement; and

2. Projects which are designed to establish, maintain, or improve a tribal government's managerial capacity and its ability to act effectively on the number of 638 grants awarded since the inception of P.L. 93-638 has varied from approximately 460-480 per year. Generally, self-determination grants have been used by large established tribes to prepare for the operation of Bureau programs under P.L. 93-638 by undertaking a variety of projects such as: the development, implementation and maintenance of office management systems; financial management and related systems; the orientation and training of tribal policy makers and administrative staff in the implementation and responsibilities of P.L. 93-638; the acquisition of property to augment tribal facilities allowable under the specifications of P.L. 93-638; regulations; and the projects that address the specialized needs inherent in the maintenance and implementation of tribal governmental management structure. Further, larger tribes have used self-determination grants in order to establish and maintain tribal administrative and financial management systems to essential successful contract program administration.

Smaller tribes also use self-determination grants to establish and maintain contract program administration. Smaller, lesser established tribes and rancherias, have used self-determination grants as seed money to enable them to become established governments and to acquire the capability to participate in housing, economic and community development, employee training, and similar available programs through contracts and grants with various Federal agencies.

Workload Data: It is estimated that some 400 self-determination grants will be awarded under the tribal priority system in FY 1987 reflecting tribal priorities under the grant program.

As mentioned above, the majority of self-determination grants are used to strengthen and improve tribal governments, including their ability to manage contracts and grants. Grant officers at the area offices and grant officer representatives at the agency level will continue to administer and monitor the program.

11. Training and Technical Assistance

Base Program ($2,000,000; FTE: 39): Greater emphasis will be placed on providing training and technical assistance (T/TA) to tribes at the local or tribe/agency level in FY 1987. This will be more responsive to tribal needs for assistance thereby strengthening the Bureau's delivery of training and technical assistance.

Training and technical assistance is provided by Bureau contract officers and/or grant officers representatives (COR/GOR) but assistance is also provided by other Federal and non-Federal staff such as Office of Personnel Management, Department of Agriculture and expert consulting firms in the areas of accounting, management, planning and program operations. Assistance is provided by agency personnel to tribes in the preparation of contract and grant proposals and during the negotiation and award period. Assistance is also provided to address contract and grant performance needs and to meet special one-time tribal requirements such as the award of special contracts to Certified Public Accounting firms for the purpose of auditing various tribally contracted programs. The technical assistance is tailored to meet the specific and/or unique needs of individual tribes and is provided to allow tribes to meet the requirements of basic legislation and pertinent regulations.

While the COR/GOR is the first and primary contact with tribes for assistance, in those instances where the T/TA needed is not available or of such a magnitude as to be impractical for an agency to provide, the agency will arrange for the provision of assistance. This may involve arranging T/TA from the area office, the Tribal Administrative Accounting Services (TAAS) group or a contractor.

Workload Data: The training and technical assistance program provides funding for Bureau staff at the tribe/agency level for the coordination of Self-Determination activities including grants, contracts and the provision of training and technical assistance under the Self-Determination program. Training and technical assistance activities are carried out at the agency level by Bureau staff designated as contract and/or grant officer representatives (COR/GOR). Training and technical assistance may be provided to some 500 tribes and Alaska Native Villages eligible for such assistance.

12. Community Fire Protection

Base Program ($828,000; FTE: 0): This program is necessary for those tribes which do not receive community fire protection services from State or local governments. During FY 1985 approximately 60 tribes received funds ranging from $1,000 to $80,000 for this program. The larger community fire protection programs provided funds to train volunteer fire fighters, repair existing firefighting equipment, purchase additional equipment, and personnel costs. Funds are used to purchase basic equipment such as smoke detectors, fire extinguishers, fire escapes and emergency lights for public buildings.

Workload Data:

	FY 1985	FY 1986	FY 1987
Training Services	5	5	5

13. Credit and Financing

Base Program ($3,301,000; FTE: 66): Credit personnel at this level assist federally recognized Indian tribes, Indian organizations, Alaska Natives and individual Indians with developing and utilizing their resources to improve their economies. The programs available are (1) direct loans from the Revolving Fund for Loans; (2) guaranteed loans from the Loan Guaranty program; (3) the Indian Business Development Grant program; and (4) assistance in obtaining financing from other governmental and private sources.

The base program includes support for salaries, travel, and operational expenses for Bureau employees who monitor and collect the loans made under the direct loan program and the guaranty loan program. They also have the responsibility for administering the grant program. It also covers the operating costs of agency credit programs contracted under P.L. 93-638.

Most loans and grants are not approved at the agency level. The area office level has approval authority to limited amounts and in some cases has delegated to the superintendent all or some of the authority on a discretionary basis. However, the credit officer is responsible for reviewing all loan and grant applications, assisting the client in correct preparation where necessary, and making recommendations to the superintendent on whether the proposal should be approved or disapproved.

It is the credit officers' responsibility to review the accounting records maintained by tribes or other Indian organizations covering activities financed by the United States, or with tribal funds used under secretarial regulations, in order to observe and report on their adherence to accepted business practices, procedures, sound credit policies and practices, and regulations.

In addition to their responsibility to loans and grants made by the Bureau, the credit officer assists tribes and individual Indians in obtaining loans from banks and other private sector financial lending sources; working with other Federal funding sources such as Small Business Administration, Veterans Administration, Housing and Urban Development, Economic Development Administration, Department of Defense, Department of Transportation, and Farmers Home Administration in developing economic enterprises on Indian reservations.

Workload Data:

	($ in millions) FY 1987
BIA - direct loans - outstanding	$120.0
BIA - direct loans - new	16.3
Guaranteed and Insured loans - outstanding	189.3
Guaranteed and Insured loans - new	30.0
Economic Development grants - new	8.5

14. Adult Vocational Training

Base Program ($19,311,000; FTE 69): The Employment Assistance program has two basic activities which are designed to alleviate unemployment on Indian reservations. These two activities are: Adult Vocational Training and Direct Employment (Job Placement). If 83 percent of the participants in these two programs were placed in jobs, the unemployment rate would drop three percent, if all factors remained stable.

In order to address this national problem and to meet the basic and special training needs of Indian applicants, the Secretary is authorized to undertake a program of vocational training that provides for vocational counseling or guidance, institutional training in any recognized vocation or trade, apprenticeship and on-the-job training. Training institutions with a recognized reputation in the field of vocational training and an established record of successfully placing their students in suitable employment upon graduation are utilized. Approximately 400 private vocational training schools are used. These schools offer training to the Indian trainee in courses such as welding, auto mechanics, computer programming, secretarial, registered nursing, cosmetology, x-ray technology, etc.. The period of training is for a maximum 24 month period except for the registered nurse training which cannot exceed 36 months. The program is available to adult Indians, 18-35 years of age, who reside on or near an Indian reservation. Applicants are assisted in the selection of their training program through the interpretation of the General

Aptitude Test Battery (GATB) and personal counseling. This is to insure that all applicants are trained in a field where they can attain the necessary skills to become employable. Employment is provided primarily by the private sector with about 205 of the total placements being in governmental agencies.

Of the $19,311,000 Adult Vocational Training, FY 1987 Base Funding, approximately $10,500,000 will be contracted by the tribes and the remaining $9,183,000 for Bureau operation at the agency levels. Included in the base is $142,000 for the Papago Skills Center which will be subject to tribal priorities during the FY 1987 budget cycle.

Workload Data: It is anticipated that the average cost per trainee for FY 1987 is estimated at $5,000 per trainee. Cost per trainee fluctuates from area to area due to cost of living, tuition, etc., which are not all the same.

	FY 1986	FY 1987 Est.
Total Number of Trainees........	4,103	3,687
Total Completions................	1,670	1,512
Total Job Placements.............	1,434	1,300

15. Other Employment Assistance (Direct Employment)

Base Program ($4,193,000; FTE 18): Direct Employment (Job Placement) services are provided to members of federally recognized Indian tribes. This program assists those Indians who have an employable skill and need employment. The end result is to assist the individual Indian to find, become established in, and retain suitable employment. The applicant's skills are identified from information submitted on the application form and through personal counseling. Applicants are then placed in a job that meets their skill level.

A majority of the total Bureau staff in this program is located at the agency level where applications are taken and processed, funds committed, employment counseling and guidance provided, and employment contacts are made. Staff in this program are vocational development specialists who place emphasis on job placement. They maintain contact with employers in the private sector through State and private employment offices and personal contacts. Employment in State and Federal jobs is accomplished through personal contacts with the appropriate personnel office. Screening applicants to be employed is done in accordance with hiring policies of the prospective employer. In most cases, the job placement specialist is acquainted with those hiring policies. Applicants are placed in those fields where jobs are available and where they are qualified for employment.

It is estimated that the number of participants in the Direct Employment Program will continue the gradual decline experienced in recent years. This decline is partially the result of the increased cost of providing job placement services and partially the result of tribes placing more emphasis on training needs accomplished through the Adult Vocational Training Program.

Workload Data: It is anticipated that the average cost per participant for FY 1987 is estimated at $2,500 per participant. The average cost per trainee fluctuates from area to area due to the mobility of trainees, i.e., some trainees have easier access to places in Arizona and Oklahoma where travel is less difficult than in Alaska or other isolated places.

	FY 1985	FY 1986 Estimate	FY 1987 Estimate
Total Number Participants	2,295	2,273	1,747
Average Cost Per Participant	$2,200	$2,400	$2,500

16. Road Maintenance

Base Program ($22,750,000; FTE 386): Priorities and funding levels for road maintenance are set by tribal governments in consultation with Bureau administrators and engineers. Consideration is given to degree of use, public safety and convenience. On improved roads, an additional consideration is the preservation of the Government's investment in construction, since inadequate maintenance accelerates deterioration and increases road reconstruction costs. The replacement cost for approximately 18,000 miles of improved roads on the Bureau system is estimated to exceed $2 billion.

The program activities include providing for interagency agreements with local governments, counties, State and other Federal agencies for various phases of the road maintenance program.

Maintenance is the preservation of a road or bridge and related elements in the condition that will provide optimum mobility for the intended use. Routine maintenance includes earth and gravel road smoothing, and pavement patching, pothole patching, pothole repair, and crack filling. Cyclical maintenance is periodic sealing to prevent penetration of water through pavement surface. For the purpose of maintenance, the general basic surface types are: paved, gravel, earth, and paths. The surface type is governed by the intended use at the time of construction or reconstruction.

For the purpose of describing and budgeting the maintenance program levels of maintenance are defined in terms of a percentage of the frequency of routine and cyclical maintenance activities necessary to maintain each surface type of road at the optimal level.

Optimum	90 to 100%
Limited	50 to 89%
Occasional	10 to 49%
Little or None	0 to 9%

"Optimal" is that frequency of maintenance which keeps the road in the desired condition at minimum total cost, when considering both cost of maintenance and cost of reconstruction. Bureau road maintenace will average 43% of optimal, based on funds requested in FY 1986. Optimal maintenance costs per mile, per year are:

$1,100	for unimproved roads
2,200	for earth roads
2,600	for graveled roads
3,300	for paved roads

Program funding is based on the tribal priority setting process, and needs fluctuate from area to area. Individual tribes are expected to take such needs into account when determining seasonal requirements. Those in northern areas and high altitudes, with snow and ice control, should take into account emergency maintenance in their decisions, with the first priority to protect life and property. When this need is not predicted accurately, a reduction in routine or cyclical maintenance should occur. Such is the case also where reopening of roads after landslides or washouts is emergency maintenance.

B. Trust Operations

1. Natural Resources, General

Base Program ($1,116,000; FTE: 6): At the Tribe/Agency level, this program provides funding for multi-disciplinary activities not readily identified with one particular natural resource program, and other staff who are responsible for administering multi-disciplinary activities, including contracts with Indian tribes, sometimes covering various natural resource programs under a single contract. Accomplishments under tribal contracting include conservation studies and/or inventories in the various natural resource disciplines, which include agriculture, soil and range, irrigation and power operations, fisheries, wildlife, parks, water needs and environmental quality concerns.

Workload Data: Results of actions supported by funding from Natural Resources, General, are reported under the appropriate Sub-Activity, i.e., Agriculture, Forestry, Water Resources, Wildlife and Parks, etc. Workload data includes assistance in establishing policy, regulations, and procedures; developing budget and financial planning; providing advice and counsel to tribes; and supporting, directing and overseeing administrative matters affecting Natural Resources.

2. Agriculture

Base Program ($20,279,000; FTE 441): The Agriculture program provides tribes, landowners and land users with technical assistance of a kind that will encourage and motivate increased use of agricultural resources by Indians and bring about improvement of their management activities. Multiple-use program planning and technical assistance are designed to protect the renewable natural resources against erosion and soil deterioration; to restore eroded and depleted areas; to stabilize runoff and protect sediment on land areas; to improve cover with adapted crop species on farmland, forest, pasture and rangeland; and to retain water for farm and ranch use and water management. These accomplishments can only be made through implementation of modern inventory and management techniques designed to interpret and determine potential for present and future use of the resources.

The Agriculture staff is responsible for carrying out the trust responsibility on 284 Indian reservations. Within the Bureau, management of agronomic and range resources is decentralized with professional staff located at 11 Area Offices and 76 Agency Offices in 26 States providing technical assistance to 284 Indian reservations encompassing over 46 million acres. The Agriculture staff are also involved in providing technical assistance, support and resources to develop and implement the wildlife and parks program on these reservations. The staff initiate environmental reviews for trust lands, except forested land, and review all environmental assessments completed by other agencies.

The agency staff provide the day-to-day contact with tribes, landowners, and land users on matters relating to planning, management, conservation, development and utilization of Indian soil, water and rangeland resources; administers the agency pesticide program on Indian lands. They also provide technical assistance to tribes who may want to contract for the program under P.L. 93-638.

The following is a profile of the renewable natural resources for farmland, rangeland and water on Indian reservations:

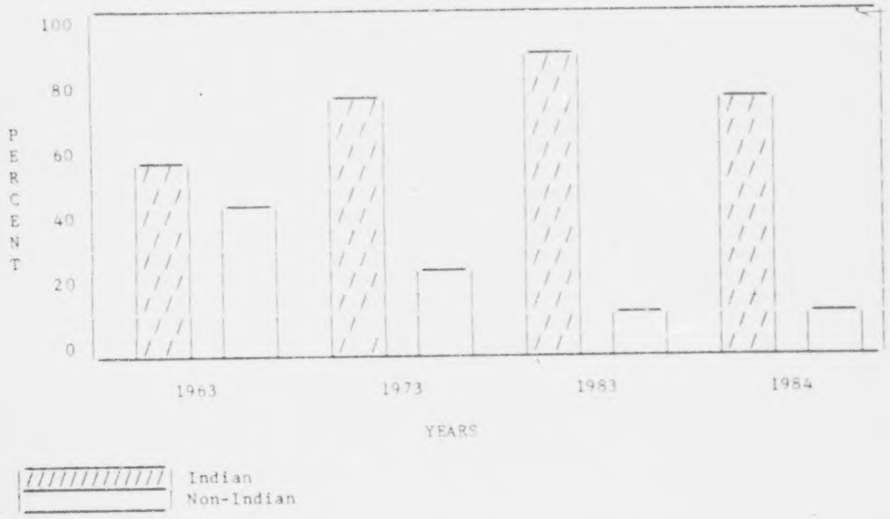
RENEWABLE NATURAL RESOURCES PROFILE
(Agriculture, Range, and Water)

	Units	Amounts
Rangeland/Forest Grazing	(Acres)	43,509,840
Animal Units	(No.)	712,300
Dry Farmland	(Acres)	1,829,118
Irrigation Farmland	(Acres)	917,580
Water Reservoirs/Lakes	(Acres)	1,164,825
Reservoirs/Impoundments	(No.)	45,352
Natural Lakes and Ponds	(No.)	3,199
Perennial Streams	(Miles)	12,000
Coastal Shoreline	(Miles)	122

The farming and ranching operations on most reservations are an important part of the economy and provide considerable employment and income. Over 46 million acres of Indian land are primarily used for farming and grazing by domestic livestock and big game animals. This is approximately four-fifths of their total land area.

The following graph reflects the changes in Indian rangeland use from 1963 to 1984. In 1963, Indian use was 55 percent, while non-Indian use was 45 percent. By 1983 the Indian usage increased to 92 percent while the non-Indian use declined to 8 percent. In 1984, Indian use declined to 80 percent while non-Indian use remained static. During the 1980-84 period, idle land increased to approximately 1.4 million acres.

INDIAN RANGELAND USE
1963-1984



The following table illustrates the top number of Indian operators broken down by size in animal units for 1983 and 1984.

INDIAN USE BY SIZE OF OPERATION - 1983
Number of Indian Operators
(Animal Units)

Animal Units:	1-50	51-100	101-150	151-200	200+	Total
1983	16,525	2,905	1,026	524	525	21,505
1984	14,455	2,525	925	512	515	18,925

In 1983, Indian rangeland furnished 712,300 animal units of grazing and provided an estimated 8,500 man years of employment. This was distributed among 21,500 Indian ranching operations devoted to raising and tending livestock utilizing 92 percent of the rangeland. About 8 percent of the rangeland, or approximately 4 million acres, was used by non-Indian livestock operators, providing an estimated 500 man years of employment. In 1984, Indian livestock operators utilizing Indian rangeland declined to approximately 80 percent.

A large majority of the non-Indian use is on productive rangeland on reservations in the northern plains and northwestern States where the land ownership is a composite of intermixed tribally and individually owned allotted Indian land, fee patent non-Indian owned land, and State and Federal Government land. Nearly three-fourths of the land used by Indians is almost exclusively tribally owned, on reservations in the States of Arizona, New Mexico, Utah, and Nevada.

INDIAN AND NON-INDIAN USE DISTRIBUTION - 1983/1984
(Rangeland)

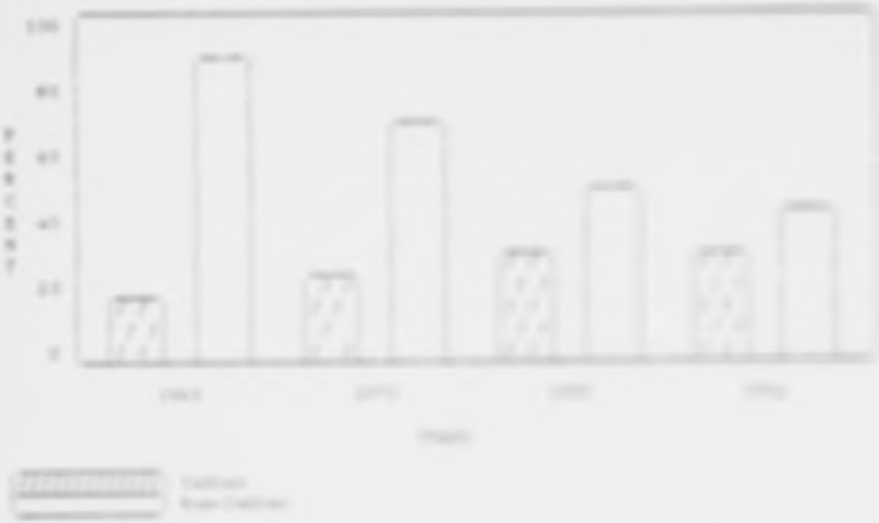
Used By:	No. Operations		Acres	
	1983	1984	1983	1984
Indians	21,505	18,925	38,478,110	38,147,693
Non-Indians	500	465	3,900,000	5,825,000
Idle.................	--	--	1,621,890	1,437,493
TOTAL	22,005	19,390	44,000,000	45,410,186

In 1983, Indian families or tribes farmed approximately 932,474 acres, or 36.6 percent of the dry farming and irrigated farming land on reservations. This provided approximately 4,500 man years of Indian employment, distributed among 19,000 Indian farming operations. Approximately 1,479,541 acres, or 57.5 percent of the cropland, was leased by non-Indian farmers, providing an estimated 6,000 man years of employment. An additional 364,446 acres, or 5.9 percent, were idle. In 1984, there were only 932,472 acres, or 33.4 percent of the dry farming and irrigated farmland being farmed by Indian families or tribes. The number of Indian farm operators dropped to 16,530 and the idle land increased to 358,235 acres, or 12.8 percent.

The following graph reflects the increased Indian dry farmland and irrigation land use from 1963 to 1983, however, by 1984 the Indian use decreased slightly along with the non-Indian use.

[illegible]

[illegible]



The following table illustrates [illegible]

[illegible]

Land By	[illegible]		[illegible]	
	[illegible]	[illegible]	[illegible]	[illegible]
Indian	[illegible]	[illegible]	[illegible]	[illegible]
Non-Indian	[illegible]	[illegible]	[illegible]	[illegible]
Idle	---	---	[illegible]	[illegible]
Other 1/	---	---	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]	[illegible]

1/ Non-Indian land [illegible]

[illegible]

[illegible]

In the late 1960's and 1970's lending institutions were approving agriculture loans to Indian operators with little or no collateral. Many operations were undercapitalized and remain in that condition today. Due to this undercapitalization, operators have not been able to expand or become commercial. In the late 1980's, declining land values, coupled with the lending institution's shift to a more positive cash flow system, were the reasons that many operators became overextended and unable to obtain operating capital. In the 1980's, BIA set farming and grazing rental rates based on off-reservation "arms length appraisals" transactions. The Bureau's effort to collect a fair rental rate for Indian land owners further compounded the undercapitalization problem.

See the end of the Agriculture program narrative for the following Tables:

Table 1: Job titles for professional and technical personnel in Agriculture.

Table 2: Funding sources and amounts provided to Indian landowners and land users to accomplish agriculture conservation projects and programs on Indian land, e.g., water systems, fencing, brush control, reseeding, concrete ditch lining, land leveling, strip cropping, terracing, winter cover crop, wind and water erosion control, farm pond development, drainage control and and shelterbelts.

Table 3: Formal commitments between BIA, tribal and individual landowners and Soil and Water Conservation Districts.

The following activities reflect accomplishments performed by the agriculture program.

Inventory and Research ([illegible]): Includes soil and range inventory surveys, land evaluation surveys and range utilization surveys.

Soil surveys and investigations are made of Indian trust land resources to provide data base information about soil productivity, erosion, stability problems and other physical land factors needed for program development, conservation planning, and the installation of planned practices. Most Bureau soil surveys are conducted as part of the National Cooperative Soil Survey.

In response to an Inspector General request a soil survey needs inventory was conducted to determine the status of soil survey on Indian trust land. The report indicates that [illegible] acres or 72.8 percent of the total [illegible] acres of Indian trust land needs a soil survey.

Range inventories are made to identify vegetative cover, soil characteristics, precipitation zones, elevation aspect and past utilization for season of use and type of livestock to be grazed, recommended stocking rate and planning.

The following charts identify inventories and surveys made for land evaluation, inventories (soil and range) and utilization surveys for 1987 and 1988.

Inventories and Surveys

	(Units)	1983	1984	Estimates 1985	Estimates 1986	Estimates 1987
Land Evaluation						
	(acres)	2,382,705	828,894	523,500	405,200	400,525
Inventories						
Soil	(acres)	2,822,449	1,482,347	1,200,000	1,150,000	1,075,000
Range	(acres)	5,680,166	3,092,663	1,500,000	1,450,000	1,400,000
Utilization Surveys						
	(acres)	4,943,996	4,212,656	3,750,000	3,520,000	3,500,000
	(number)	1,540	1,393	1,250	979	955

Farm and Range Planning ($5,500,000): The Bureau provides technical assistance to Indian tribes, landowners and land users through 11 Area Offices and 76 agency offices for planning of renewable natural resources on Indian trust lands for highest and best use. Land management planning is a continuous process that responds to changes in the demands made upon the supply of renewable resources. The Bureau, in cooperation with the Indian landowners, tribal governments and land users, will update and amend land use plans and promote sustained yield management as needed to insure that adequate resources will be available for future generations.

Bureau Soil Scientists, Soil Conservationists, and Range Conservationists participate in investigations and planning of needed soil, water and range conservation systems to achieve a well balanced agriculture program. Personal contacts with individual landowners and/or users are vital to collect and disseminate information for the purpose of improving the management of farming and ranching units.

The land use investigation and planning table reflects a declining number of management contacts made in 1984 due to the declining number of Indian operators, whereas, the number of formal farm and ranch conservation management plans more than doubled. This can be attributed to the increased number of leases coming due in any given year and the Agriculture staff trying to negotiate the re-leasing of idle land.

Land Use Investigation and Planning*

	1983	1984	Estimates 1985	Estimates 1986	Estimates 1987
Management Contacts					
Farming (number)	40,635	37,855	35,950	34,500	34,250
Ranching (number)	40,143	27,899	27,020	26,950	26,900
Management Plans					
Farming (number)	4,236	10,995	6,575	6,300	6,290
(acres)	757,199	722,844	698,150	691,000	685,000
Ranching (number)	1,445	4,115	1,700	2,100	1,850
(acres)	4,805,777	5,385,171	3,275,000	4,400,000	4,125,000

* Source Natural Resources Information System Reports 1983 and 1984.

Farmland Improvements ($1,100,000): Technical assistance is provided by the Agriculture staff for farmland improvements which includes preparing and designing land leveling, farm drainage design, fertility recommendations, farm pond specifications, wind and water erosion control recommendations, boundary surveys for fencing, water development engineering and design, special measures for soil and water management necessary to prevent flooding, siltation and agricultural related pollutants and brush and noxious weed control and eradication.

Rangeland Improvements ($1,529,000): Technical assistance provided for rangeland improvements includes livestock rotation recommendations, feeding requirements, pest control management recommendations, brush and noxious weed control and eradication, reseeding, range management planning, wildlife and parks planning and env'ronmental compliance actions.

Rangeland Protection ($500,000): Includes all activities concerned with the administration and management of the eradication and control of insects and rodents, and presuppression work and maintenance of readiness conditions for fire suppression.

Leasing and Permitting Services ($9,600,000): The Agriculture staff supports the leasing and permitting program by servicing lease and permit preparations, modifications, stipulations (protective convenants), changes and enforcement actions on farming and pasture leases. Inspections are made on farming operations directly to evaluate compliance with lease requirements, performance and use.

The Bureau monitors the use of rangeland and modifies grazing permits in order to improve rangeland or changes in ranch operations or land ownership. Stocking rates are adjusted by changing conditions, area site, and changes in land ownership. The total number and acres of leases and permits serviced by the Agriculture staff are itemized in the following table.

LEASE AND PERMIT AND WORK LOAD DATA SERVICED
1983-1984

	Number		Acres	
	1983	1984	1983	1984
Grazing	356,547	355,086	13,880,946	13,133.152
Crossing	346	344	11,527	13,407
Farm	55,126	55,405	2,349,513	2,071,807
Other	9,792	9,162	281,885	220,261
Total	421,811	419,997	16,531,871	15,438,627

Contract Monitoring ($750,000): The Agriculture staff also provides technical assistance to review tribal Self-Determination contract and grant proposals requested under P.L. 93-638. Whenever the contract or grant is awarded to the recipient tribes, an additional cost will be encountered to provide oversight and to monitor the contract or grant for compliance.

Workload Data:

	Est. FY 83	Est. FY 84	Est. FY 85	Est. FY 86	Est. FY 87
Farmers and Landowners assisted (No.):	19,000	19,000	19,000	23,000	19,350
Ranchers and Landowners assisted (No.):	11,500	11,500	11,300	12,000	11,950
Soil Inventories (M Acres):	2,822	1,482	1,200	1,150	1,125
Ag. Cons. Management and Development (M$):	22,500*	18,500	18,200	18,200	17,000
Rangeland Cons. Mgmt. and development Measures (M$):	12,200*	4,200	4,100	5,200	4,900
Farm and Ranch Management Plans (No.):	5,681	15,110	8,275	8,400	8,450
Farm Lease Stipulations Prepared (No.):	7,990	8,071	8,071	8,100	7,800
Compliance Actions (No.):	19,000	19,916	19,200	20,000	19,100
Soil Investigations (M Acres):	700	718	718	700	600
Range Permit Modifications (No.):	1,650	1,650	1,800	2,000	1,920
Range Unit Compliance Inspections (No.):	5,100	5,100	4,900	5,000	4,800
Range Inventories (M Acres):	5,680	3,093	1,500	1,450	1,425

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* Includes effects of $12.5 million of Jobs Bill funding.

TABLE 1

Job Titles

Natural Resources Officer
Natural Resources Specialist
Range Conservationist
Soil Conservationist
Soil Scientist
Agricultural Engineer
Agronomist
Civil Engineer
Civil Engineering Technician
Range Technician
Soil Technician (Conservation)
Survey Technician
Trust Services Specialist
Hydraulic Engineer
Hydraulic Technician
Wildlife Biologist
Pest Controller
Physical Science Technician

H. Colville ($106,000): These funds support a fisheries biologist to provide technical assistance in managing the local fishery and to expand a trout stocking program. The program provides subsistence benefits for tribal members and recreational benefits to the non-Indian community.

I. Metlakatla ($185,000): Funds support a fisheries biologist and field office positions associated with the Tamgas Creek Hatchery. Studies are initiated to assess stock availability and harvest management options. Information gained promotes continued protection and development of the fisheries resources. Aquaculture training is provided to tribal members.

J. Red Lake ($69,000): The Red Lake Reservation comprises 805,845 acres, including 241,296 acres of lakes. Approximately 25 lakes and 22 miles of streams are managed for sport fishing, and the 229,296 acre Red Lake supports an important subsistence and commercial fishery. The Tribe maintains a wildlife refuge on the reservation, and manageable species include the sharp-tail and ruffed grouse, deer, moose, black bear, bald eagle, eastern timber wolf, and a variety of waterfowl and furbearers. This funding is used to support a conservation enforcement program on the reservation, and to develop a fish and wildlife resource management capability within the tribe.

K. St. Croix ($22,000): Funds support a part-time Conservation Officer to enforce the tribal code. Less than adequate conservation enforcement by the Tribe could lead to potential loss of treaty rights. The Tribe must assure that the resources are maintained, and that the exercise of rights is not abused by eligible members through the indiscriminate or uncontrolled taking of fish and game.

L. Lac Courte Oreilles ($67,000): The Lac Courte Oreilles Tribe of Wisconsin currently maintains a fish and wildlife conservation and enforcement program on the reservation. Studies are conducted to assess stock availability and harvest management options. Information gained promotes the continued protection and development of the fisheries resources. Aquaculture training is provided to tribal members.

M. White Earth ($76,000): The White Earth Reservation contains 45,720 acres of open water, 21,920 acres of wetlands, and abundant fish and wildlife resources. A comprehensive five-year plan for managing the reservation's natural resources was submitted by the tribe in 1984 and includes conservation enforcement, research and management elements. Existing tribal law enforcement and biological staffs utilize these funds to implement their five-year plan.

N. Sault Ste. Marie, Bay Mills, Grand Traverse ($107,000): These funds provide the three Michigan tribes with fisheries enforcement, management and judicial capabilities to ensure effective utilization and protection of the Great Lakes fishery resources, for which they share responsibility with the State of Michigan. Funds support activities required for the exercise of treaty fishing rights. Programs are designed to reduce the possibilities of illegal fishing, enforce limits, generate biological information on which to base sound management decisions, and facilitate discussions with other co-management jurisdictions.

O. Minnesota Chippewas ($66,000): Each of the six bands of Minnesota Chippewas administers fishery and wildlife conservation programs on their reservations. The bands enforce tribal regulations and conduct some management activities. These funds support biological investigations aimed at promoting proper fish and wildlife resources management.

3. Forestry

Base Program ($23,509,000; FTE 634): The Forestry program at the Tribe/Agency level, and at all levels of the budget, addresses the need to provide forest management services on 14.1 million acres of Indian forest land. This is accomplished by employing the most modern inventory and management planning systems, by harvesting the full allowable annual cut with consideration of other use values and tribal objectives, by intensifying forest development activities to eliminate backlog, maintain accruals and enhance forest productivity (growth), and providing assistance to tribes and individual Indians in development and management of forest product industries.

The Bureau's trust responsibility in forestry is extended to approximately 99 trust forested reservations and/or properties in 23 States, with a commercial forest land base of approximately 5.9 million acres that support a total commercial volume of about 45.3 billion board feet and an allowable annual cut of 1.04 billion board feet. In addition to this, technical assistance services in all forestry aspects are provided to Alaska Native Claims Settlement Act (ANCSA) allotted lands, which, when fully conveyed, will comprise a forest land base in Alaska of approximately 300,000 acres. Approximately 6.8 million acres of "woodland area" are considered in multiple-use management planning because of their importance in overall resources management, and a value of forest products other than lumber or veneer. Forestry program staff work closely with several other Bureau programs, including: Agriculture and Range Management; Fish and Wildlife; Environmental Services; Realty particularly appraisals and to obtain ownership (title) information on allotments; Law Enforcement, for assistance in trespass investigations; and Water Resources, for water productivity and protection of groundwater levels.

The Bureau cooperates with the U.S. Forest Service and other Federal and State agencies in the protection of Indian lands and adjacent lands from insects and disease. The Forest Service, by law, is the lead agency for major protective actions and securing the necessary funding for them.

The following information is provided at the end of this Tribe/Agency narrative:
Figure A: Forest Inventory and Plans Activities.

Figure B: Forest Development Backlog Status.

Table 1: Jobs and income generated from the combined effects of direct, indirect, and induced employment of 1983 (depicts a representative level of production), one third of which is Indian.

The following describes the various Forestry Program activities, with estimates of funding utilized in each:

A. Forest Development $8,364,900

The Tribe/Agency portion of the Forest Development Program includes all activities of Forestation and Timber Stand Improvement necessary to properly manage the commercial Indian forest for a sustained yield of desired forest products. Some activities conducted by tribes in this program are (1) site preparation, (2) seed/cone collection, (3) planting, (4) greenhouse operations, (5) protection of young forest stands, (6) pre-commercial thinning, (7) fertilization, (8) weeding, (9) release, (10) species conversion, and others. These activities include all the scheduled periodic silvicultural treatments applied to a forest to bring a newly planted plantation to commercial harvest size and quality.

B. Timber Sale Administration $7,988,000

Timber Sale Administration at the agency level comprises all activities concerned with the administration and supervision of timber sales. These include all aspects of sale and contract preparation (cruising, silvicultural prescriptions, appraisals, advertisement, etc.); executing and supervising contracts; marking and scaling timber; and collecting, recording and distributing stumpage receipts.

Also included in this category are former Timber Sale Administration (TSA) add-on funds ($4,290,000). These funds are generally used for personal services and related travel and operating expenses, as well as for contracts for mapping, data gathering, surveys, etc.

C. Forest Inventory and Plans $3,187,800

Forest inventory and plans actions at the agency level encompass aerial photography, mapping, field forest management inventories, re-inventories, growth studies, allowable annual cut calculations, and all aspects of the development, preparation and/or revision of multiple-use forest management plans, including inventory analysis, environmental assessment and forest history.

Problems associated with the forestry program include a deficiency in state-of-the-art forest management inventory and planning on some reservations from which the Indian owners can make multiple-use management decisions. Only 31 of the total of approximately 99 trust forested reservations or properties have current forest management or operating plans. The remaining locations continue to operate with no plans or outdated plans. Funds added in FY 1985 were used to update those plans of most critical need or with potential for improving the economic development of the reservations involved.

(Figure B at the end of this narrative gives an estimate of the total planning segments to be completed.)

D. Assistance to Tribal Enterprises $21,200

Assistance to tribal enterprises consists principally of consultation and technical assistance, upon request, to tribal forest enterprises in all aspects of timber management and the primary/secondary processing of forest wood products, including stumpage appraisals, sale negotiation, contract supervision, disputes and appeals, economic analysis of potential enterprises, etc.

E. Forest Products Permits $764,000

Forest products permits activities include cruising, product marking, stumpage appraisal, permit preparation and harvest supervision for a total number of permits exceeding 10,000 annually. Included in this number are approximately 2,000 paid permits. The remainder are of the free-use type, which permit the cutting of firewood, house logs, posts and poles, etc., by tribal members for their personal use.

F. Forest Protection $3,183,100

Forest protection includes all activities engaged in protecting the forest from fire, insects, disease and trespass. With respect to fire management, protection consists of acquisition and maintenance of firefighting equipment, fire detection systems, construction of fire breaks, hazard reduction and fire protection contracts with other agencies. Control of insects and disease encompasses all aspects of detection and evaluation; preparation of project proposals to secure funding, including project descriptions, environmental assessments/statements, and benefit/cost analysis; field suppression operations; and reports. Timber and fire trespass activities involve field examination and survey, damage appraisal, preparation of reports, assisting in investigations, writing demand letters and giving depositions.

The workload factors and outputs for the total Forestry program are shown in the first section of the budget (Central Office, Area Office & Field Operations). The expenditures for the activities are so interrelated that the workload cannot be specifically identified to each dollar amount distribution.

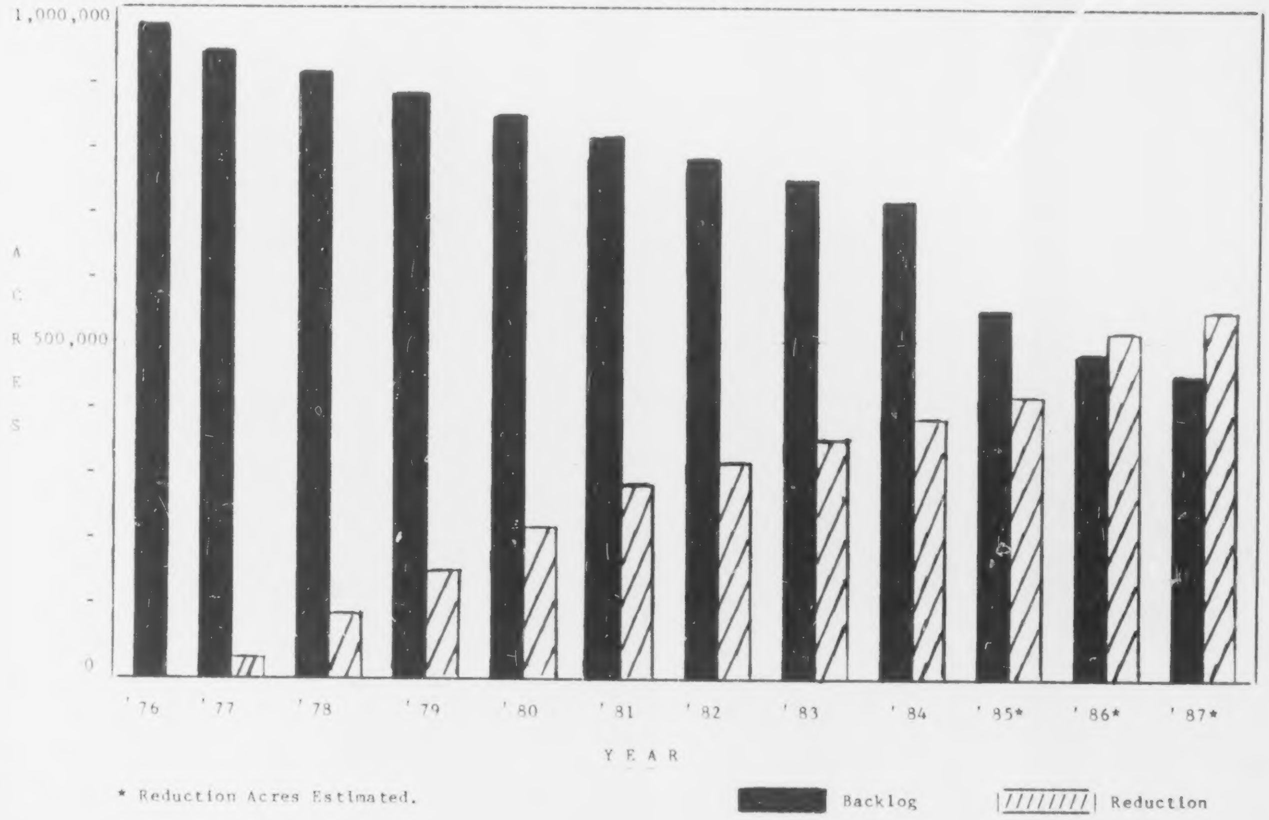
Figure A

Forest Inventory and Plans encompass the following workload factors. There is an interrelationship between the banded and non-banded forestry activities that cannot be precisely delineated, therefore, the following schedule includes estimated accomplishments with both categories of funding.

	No. of Reservations
Aerial Photography	14
Mapping	15
Field Inventory	17
Inventory Analysis	24
Management Plan	22

Figure B

FOREST DEVELOPMENT



* Reduction Acres Estimated.

TABLE 1

ESTIMATED NUMBER OF JOBS AND INCOME GENERATED PER MILLION BOARD OF FEET OF INDIAN TIMBER HARVEST (1983) a/

State/Region	Per Million Bd. Ft.		Volume Harvested b/	Total	
	Jobs c/	Income d/ $000	(Millions of Bd. Ft.)	Jobs c/	Income d/ $000
Washington..........	17.6	313,200	239	4,206	74,854,800
Oregon..............	15.3	257,520	133	2,035	34,250,160
California..........	14	252,000	14	196	3,528,000
Montana.............	15.6	406,164	28	436	11,372,592
Southwest...........	13.6	315,240	124	1,686	39,089,760
Lake States e/......	14	252,000	49	686	12,348,000
Other e/ f/.........	14	252,000	39	546	9,828,000
Total			626	9,791	185,271,312

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a/ All dollars are constant in 1983.

b/ Cash sales only, does not include free-use cutting. Source: BIA Division of Forestry Annual Report, Fiscal Year 1983.

c/ Includes direct, indirect and induced employment.

d/ Data were converted from 1980 to 1983 dollars (to adjust for inflation based on GNP implicit price deflator index values for 1980 and 1983) with the real dollar value formula, U.S. Forest Service Economic and Social Analysis Handbook (8-84 review draft), page 9.

e/ Data not available. After discussions with USFS, used multipliers obtained from other regions.

f/ This includes the residual 4% of all other timber harvest not classified by region. Figures used same as footnote (e).

Source: Table 4 of the "Report to the Secretary of the U.S. Department of the Interior from the Task Force on Administrative Fees in Indian Timber Management," updated with 1983 harvest data and dollars.

4. Water Resources

Base Program ($1,565,000; FTE 6): Tribes use funding provided in this program for conserving, developing and using their water resources, with particular reference to water resource problems and uses of a special nature.

Funding designated in the Indian Priority System includes range water development functions which provide assistance in identifying, conserving and developing range water resources. The types of work accomplished in this program include range water developments such as wells, storage tanks, pipelines, ponds and deep-pit charcos. A major component of this program is for the Navajo Tribal Waterworks program, which is a vital part of their range conservation/management effort.

5. Wildlife & Parks

Base Program ($17,796,000; FTE 16): Indian reservations have the potential for contributing significantly toward meeting national fishing, hunting, camping and other recreational demands, while providing critical habitat for important fish, game, non-game and plant species, and a base for cultural enrichment and economic development. This program provides assistance to tribes in the conservation, development and utilization of their fish, wildlife and recreational resources, and promotes their capabilities in resource management, enhancement, regulation and enforcement. Through this program, tribes develop and refine program goals, objectives and strategies, and are able to increase and improve their technical capabilities in order to assume greater responsibility for managing their fish, wildlife and recreation resources.

A number of court cases decided in favor of Indian treaty hunting and fishing rights in recent years has resulted in increased attention toward fish and wildlife resources occupying habitats in ceded off-reservation areas. Through this program, tribes affiliated with four inter-tribal organizations (Northwest Indian Fisheries Commission, Columbia River Inter-Tribal Fish Commission, Great Lakes Indian Fish and Wildlife Commission, and Chippewa-Ottawa Treaty Fishery Management Authority) in the Pacific Northwest and Great Lakes areas have become more involved in important treaty hunting and fishing rights co-management activities.

I. Boldt Case Area Management ($7,472,000): The Boldt Decision of 1974 in U.S. vs. Washington reaffirmed that Stevens Treaty tribes in the State of Washington hold a valid treaty right to fish in all of their usual and accustomed places, and upheld the position that the affected tribal governments must participate in the management of the resources involved. Contracts are executed with 21 treaty fishing tribes to fulfill their obligations and responsibilities, as decreed by the Federal court in the management of treaty salmon, steelhead, and herring fisheries, coordinated (state/intertribal) enhancement projects, and protection of the salmonoid resources originating in waters on and near their reservations. The tribes conduct management and enhancement activities on 45 stream systems in Puget Sound and on the Washington coast, benefiting both treaty and non-treaty fishers, and regulate the fishing activities of some 1,500 treaty fishers in fresh and marine waters within their usual and accustomed fishing areas.

II. Fish Hatchery Operations ($4,170,000): Overfishing, habitat degradation and a variety of other factors have contributed to declining populations of salmon, trout, and many warmwater fish species in recent decades. To assist in counteracting this trend, approximately 60 artificial propagation programs have been developed on Indian reservations, targeting on salmon in the Pacific Northwest, rainbow trout in the Southwest, and walleye in the Great Lakes region. Increasing the number of fish available for harvest and establishing reasonable harvest opportunities for Indian and non-Indian fishermen are essential elements in establishing healthy fisheries. These projects increase the supply of available fish to all user groups, provide fish culture training to tribal members, maintain information necessary for continued protection and development of fishery resources, and generate jobs for tribal members.

The current budget provides for operation and maintenance of the following fish hatchery facilities:

Tribe/State	FY 1987 Base*
Hoh, WA	$ 31,000
Lummi, WA	493,000
Makah, WA	42,000
Muckleshoot, WA	129,000
Nisqually, WA	186,000
Nooksack, WA	35,000
Point No Point, WA	332,000
Puyallup, WA	77,000
Quileute, WA	54,000
Quinault, WA	304,000
Skagit Systems Coop, WA	60,000
Squaxin Island, WA	100,000
Stillaguamish, WA	70,000
Suquamish, WA	264,000
Tulalip, WA	328,000
Metlakatla (Tamgas Creek), AK	315,000
Bad River, WI	45,000
Lac du Flambeau, WI	270,000
Red Lake, MN	45,000
Pyramid Lake, NV	990,000

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* Above amounts include $475,000 contract support funds which were distributed in accordance with current directives.

III. Other Fish, Wildlife and Recreation Programs ($6,154,000): Indian tribes throughout the country continue to develop considerable interest and concern for the protection and conservation of their fish and wildlife resources. Many tribes have progressed to the point where they are fully capable of managing their resources, but require financial support to maintain projects and/or implement special biological investigations. Through this activity, tribes are able to collect baseline inventory data, assess resource development potential, implement fish and wildlife plans, promote the training of tribal members in fish and wildlife conservation, conduct special studies, support resource enhancement, protection, and management related activities, and assume responsibility for programs previously conducted by the Fish and Wildlife Service. In addition to those specific uses designated in the Indian Priority System for $4,419,000 of this total, the following specific amounts totalling $1,735,000 are also included as a base transfer:

A. Summit Lake ($83,000): Allows for continuation of a program developed to perpetuate a pure strain of the threatened Lahontan cutthroat trout. Provides spawn needed to operate the Summit Lake Tribe's fish hatchery.

B. Bad River ($50,000): Enables the Tribe to pursue biological research and carry out cooperative fishery management efforts with the State of Wisconsin. The Tribe has been developing a cooperative relationship with the State and other agencies to protect the fishery resources and provide for their development and enhancement.

C. Red Cliff ($111,000): The current program staff consists of one fisheries biologist, a technician, a secretary, and one enforcement officer. Special investigations regarding the Lake Superior fisheries are conducted in cooperation with the State of Wisconsin. The enforcement program enforces tribal fishing regulations on treaty fishing areas and on-reservation waters.

D. Yakima Fisheries ($258,000): Enables the Yakima tribal fisheries management program to continue protecting and managing anadromous fishery resources. The Tribe has established itself as a co-manager of the fishery resources in the Yakima and Klickitat basins and is committed to the restoration of the salmon and steelhead. Numerous on-reservation fishery management activities will be conducted.

E. Umatilla ($50,000): Provides funds to address anadromous fish resources through implementation of coordinated strategic plans developed under a joint tribal and Oregon Department of Fish and Wildlife contract with Bonneville Power Administration. The program supports a fishery management biologist to provide technical expertise and supervision of fishery resources that are of social, economic and cultural importance to the Confederated Umatilla Tribes. Planning focuses on the restoration of anadromous fishery resources in four drainage basins of northeast Oregon, in conjunction with the fish and wildlife program required under Section 4(h) of the Pacific Northwest Electric Power Planning and Conservation Act (P.L. 96-501).

F. Chehalis ($72,000): The Chehalis Tribe does not have reserved off-reservation treaty fishing rights as do other Washington tribes, but does engage in on-reservation fishing for salmon and steelhead. Because tribal members are generally dependent on the fish stock available within the reservation, efforts to maintain adequate population levels and effective harvest monitoring and habitat enhancement measures are important. These funds support a fisheries enhancement program, a professional fisheries staff, and a conservation enforcement program.

G. Nez Perce ($159,000): The Nez Perce Tribe's Fisheries Department provides technical assistance in co-managing fisheries resources on the reservation and in the Tribe's ceded rights area. This funding provides for the full-time services of: 1) the Tribal Fisheries Department Director whose major duties are to administer, develop and implement the activities of the Department while coordinating with State and Federal fisheries agencies and providing the Tribe with technical input for management decisions; 2) a fishery biologist focusing on environment/habitat protection through permit and EA/EIS review; 3) a fishery technician focusing on creel census evaluation to determine allowable tribal harvest levels; and 4) clerical services and necessary travel.

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9. Leech Lake ($148,000): The Leech Lake Band is one of six Chippewa Bands in Minnesota under the aegis of the Minnesota Chippewa Tribe. The Reservation includes 232 lakes totalling over 174,000 acres. Sport fishing and tourism activities are vital to the Tribe and the economy of the area. These funds are provided to the Leech Lake Division of Resource Management which is responsible for conservation enforcement, maintenance of a judicial system for trying alleged violations of the Tribe's conservation code, and for participating with State officials in fisheries resource management investigations.

10. Contract Support ([illegible]): For distribution to Jamestown Klallam in accordance with current Bureau directives.

D. Minerals and Mining

Base Program ([illegible]; FTE [illegible]): Funds at this level are used for the complete scope of program operations, including personal services, travel, contracting, training, and other needs. At the present time, tribe/agency funds appear at a limited number of locations (approximately [illegible]). These are locations that have on-going programs, such as Spokane, Navajo, Osage, and others where leasing activities are in progress. As more Phase II studies are completed in the Field Operations part of the budget, we expect that more tribes will give priority to minerals and mining funding in their future budgets.

Funds are presently utilized for such things as the mineral leasing and accounting staff at Osage; for BIA contracts for feasibility studies and mining plans; geologists, engineers, and development; lease compliance on oil and gas contracts; oil and gas assignments; environmental reviews; training on such things as communitization agreements; travel, and reproduction of materials.

E. Trust Services, General

Base Program ([illegible]; FTE [illegible]): The Trust Services, General program provides program management and support for trust and natural resources activities in field offices [illegible] trust matters. The responsibilities of staff supported in whole or in part by this program are in the following activities: environmental services; rights protection; real estate services; appraisals; land use planning and land records improvement; financial trust services; water policy implementation; cultural resources and archeological clearances; environmental matters, and other trust related activities.

Funds may also be used for studies, contracts, geographic information system [illegible] and other services that may affect trust responsibilities programs at the field level.

F. Environmental Quality Services

Base Program ([illegible]; FTE [illegible]): Funds at the tribe/agency level are used to prepare most of the Bureau's and some individual Environmental Assessments (EA's); assist area office staff in obtaining details and gathering information for preparation of more extensive EA's and Environmental Impact Statements (EIS's); review actions at earliest stages to determine if they are categorically excluded or need further documentation to comply with the National Environmental Policy Act (NEPA).

Agency staff work with Area Office staff to determine impacts of Federal projects proposed by other agencies, which may impact Indian lands, and aid the Area Office in determining location and existence of hazardous waste sites. They are responsible for setting up on-site inspection and testing of sites; and to help Area and Central Offices in monitoring cleanup activities. They also work with Area Office archeologists in locating sites which may be impacted by a proposed action; help in determining areas of cultural or religious importance which should be avoided; and monitor projects as they proceed to ensure that agreed upon treatment of the site is carried out.

9. Other Rights Protection

Base Program ($4,832,000; FTE 74): At the Tribe/Agency level, the rights protection activity provides the Bureau of Indian Affairs with the coordination, problem solving staff, and technical support services that are required for the protection of the multi-billion dollar estate which the United States administers on behalf of the Nation's Indian tribes. This includes support to meet challenges to tribal rights and interests that are protected by treaty, statute, or Executive Order, as well as the initiation of those actions required of a prudent trustee to clarify the nature of, and to ensure the continued viability of those rights.

This activity provides for the historical, technical, scientific, and other professional assistance necessary for the Government to litigate challenges to Indian rights which the United States has guaranteed through treaty or statute. Field staff utilize funds provided from the Field Operations part of the budget, primarily in contracts, to obtain the required services or information needed in pursuing protection of Indian rights. They assist in addressing Statute of Limitations and Unresolved Indian Rights Issues activities, as well as in environmental requirements.

The major costs for services required in protection of Indian rights are programmed by the Central Office, in the Field Operations subactivities of Litigation Support, Attorney Fees, Unresolved Indian Rights Issues, and Hunting and Fishing Rights, based on information provided by the tribes and by the Agency and Area Offices. The funds are used by field staff to support rights protection activities, on a priority basis, considering the relative importance and urgency of the controversy or claim being negotiated, litigated, or researched.

10. Real Estate Appraisals

Base Program ($17,477,000; FTE 94): The Code of Federal Regulations requires formal appraisals to document and support actions taken by Bureau officials who give approval, or disapproval, to real estate transactions involving properties held in trust by the United States Government for individual Indians and Indian tribes.

Each year, approximately 15,000 new cases are processed by the Bureau. These include real estate developments, sales, partitionments, exchanges, leases and easements. Most of these cases require some kind of appraisal service, which is the only evidence the Bureau has that the Indian landowners have been fairly compensated for their lands.

Between 60 and 70 Bureau Appraisers provide appraisal services in support of Bureau realty actions. These services require extensive market data research and analysis. We are currently implementing an ADP plan that will give Appraisers the tools to better meet the Bureau's appraisal needs.

Workload Data:

At the present time, Bureau Appraisers are doing only about 10,000 reports per year; whereas, the Bureau has a need for about 30,000 per year. The following data taken from the Bureau's Natural Resource Information System (NRIS) gives a good indication of the Bureau's workload requirements.

1984 BIA NEW CASE TOTALS FOR ALL AREA OFFICES TO SHOW NUMBER OF POTENTIAL APPRAISAL REQUESTS:

Land Sales	13,345
Land Acquisitions	9,388
Market Value *......................	13,945
Rights of Way	1,886
Agricultural Leases	6,452
Business Leases	838
Other Leases	4,464
Fee Patents	1,142
Total Potential Appraisals	28,727

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* Many cases reported as acquisitions are also reported as sales. These only require one appraisal. Therefore, the market value column was created to reflect the number of appraisals required. It counts only the larger of the two numbers (sales versus acquisitions) and thus avoids a double counting of potential appraisal requests.

II. Other Real Estate Services

Base Program ($13,958,000; FTE 361): Staff at the Agency level provide daily real property management services, counseling, and land use and management planning for individual Indian allottees and 517 federally recognized tribal entities, including Alaska, which own a beneficial interest in over 53 million acres of trust land. Various decision making processes are developed through cooperative efforts with the Indian landowners for the proper utilization, development and enhancement of Indian trust lands.

Some of the major functions include surface and sub-surface leasing, lease compliance, rights-of-way, land surveys, land acquisition and disposal, probates and land ownership recordkeeping.

The overall aim of these interrelated activities is to provide Indian land owners the essential data and assistance in support of the management and development of their surface and sub-surface land resources in keeping with the trust management role of the Federal Government. As a result, trust land leasing activities are a major part of the real estate program and provide a major source of income to the Indians. Approximately $300,000,000 was derived from farm, business, oil, gas and mineral leases for the fiscal year ending September 30, 1984. In addition, land owners derive millions of dollars in added land values from land improvement and conservation stipulations contained in Bureau leases.

Agency staff perform initial land ownership (title) recordkeeping, which becomes more complicated each day because of the heirship problem and segregated surface and sub-surface ownership. There are over 200,000 tracts of trust land with an average tract ownership of ten undivided interest owners in allotted tracts, resulting in over 2,000,000 separate undivided interests on which to keep records.

The preparation and administration of probates are required in the administration of trust property and are essential functions of our basic program. This has also caused, and continues to cause, the mounting Indian land heirship problem. Work with governmental and tribal entities to utilize existing authorities to resolve this problem will continue to be pursued.

Included in the base is $98,000 for the Miccosukee real estate services program formerly not on the tribal priority system. Excluded from the base is $1,069,000 from Area Office Field Operations to fund the Land Titles and Records Offices as a centrally controlled program.

12. Financial Trust Services

Base Program ($3,363,000; FTE 138): The Bureau is charged by various laws and regulations with the trust responsibility of accounting for and disbursing of individual Indian monies which come into the custody of Bureau officials as a result of administering trust or restricted properties of individual Indians, and through per capita payments, judgments, awards, and claims. Deputy Indian Service Special Disbursing Agents are designated to carry out these responsibilities. The major portion of this effort is carried out at the field level, and funded in the Tribe/Agency part of the budget. The staff serve as contacts with the Indians at the reservation level and perform work connected with activities concerned with administration of trust properties.

Activities included are: accounting for and disbursing of tribal and individual Indian monies deriving from the sale or lease of tribal resources such as land, timber, minerals and water; disbursing per capita payments, judgments, awards and claims; providing research involving special fiscal problems, and trust fund data for legislative acts and recommendations for the execution of the acts; assisting in investment of the various revenues so as to maximize returns; and providing appropriate reports and responses to individual Indians or tribes.

Funds are used to maintain the accounting, bookkeeping, and direct assistance services accomplished by the Indian Service Special Disbursing Agent field personnel in collecting and disbursing funds for resources held in trust on behalf of Indian tribes and individuals. There are 55 disbursing stations spread throughout the Bureau. Each time a judgment/award/claim is involved, the number of individual Indian money accounts increases, generating increased basic operating costs the at agency level. The Government has a fiduciary obligation to collect and disburse those funds in the most expeditious manner possible, while maintaining a creditable file and record system.

C. Management Operations

1. Executive Direction

Base Program ($7,287,000; FTE 174): The executive direction is defined as the immediate office of the agency superintendent. Funding at this level is determined by the priority setting process. None of the activities of this program are contracted.

2. Administrative Services

Base Program ($9,899,000; FTE 310): The base program at the agency level should include one or more of the five functions listed and described below:

Personnel Services: (1) Provides assistance/advice to employees/managers regarding benefits, grievances, incentive awards, etc; (2) assists in writing position descriptions, developing performance standards, initiating personnel requests, etc; and (3) insures that working personnel files/records are properly maintained and secured.

Property Management: (1) Manages, safeguards, and accounts for all agency owned or leased assets, including personal property and equipment, motor vehicles, and real property; (2) reviews and recommends the requisition, transfer/conveyance, and disposal of property and equipment; (3) maintains property controls, inventories, and reporting systems; and (4) provides direct property management supports to tribal contractors and grantees.

Purchasing: (1) Procures all supplies, materials, equipment, and services necessary for the operation of agency programs; (2) reviews purchase orders for compliance with Federal procurement regulations; (3) evaluates goods and services for acceptability; and (4) maintains procurement files and records.

Budget and Finance: (1) Performs budget planning, recommends adjustment of funds, performs fund control and related activities involving the tribes in setting budgetary priorities and goals (formerly separately funded as Program Development and Budget (Reservation Programs); (2) prepares and processes vouchers and other obligation documents, operates imprest cash and cash collection, resolves payroll problems; (3) maintains position and FTE control; and (4) insures that fiscal records and accounts are properly maintained.

General Services: Performs a variety of work or duties which are essential to the daily operation of the agency and involve considerable staff time and dollar outlay. Such services include but are not limited to: (1) directives/forms/reports management and control; (2) Privacy Act and Freedom of Information Act coordination and reporting; (3) mail/correspondence management and control; and (4) moving of equipment or office furniture.

3. Safety Management

Base Program ($276,000, FTE 10): The base program provides for the development, implementation, and review of the agency level safety program. This program is not considered contractible under the Indian Self-Determination Act, P.L. 93-638. As the role of the Federal employee decreases, the Safety Management function decreases.

D. New Tribes Funding

Base Program ($2,990,000; FTE 0): The New Tribes program provides the initial source of funding for newly acknowledged tribes, enabling them to begin with regular federally funded operations under their proposed budgets. New tribes are expected to assess their needs, design or propose operational programs to meet their needs, and submit proposed budgets to implement their proposed programs. New Tribe funding is used to support a wide variety of needs expressed by the newly acknowledged tribe. These needs cover such things as social services, enrollment, housing improvement, adult vocational training, natural resources conservation, reservation planning, higher education scholarships and development of tribal organic documents.

These funds have been added to the Tribe/Agency Operations priority setting process for the first time in the FY 1987 cycle. They will continue to be allocated as "New Tribes" funds during the FY 1986 operating year but has been redistributed in FY 1987 according to the priorities of the tribes involved. The base amount of $2,990,000 has been distributed by tribe as follows:

New Tribes	Amount
Texas Kickapoo	$ 200,000
Pequot	350,000
Poarch Creek	840,000
Penobscott	16,000
Passamaquoddy	39,000
Cow Creek	355,000
Grand Ronde	555,000
Northwestern Band of Shoshone	145,000
Coos, Lower Umpqua and Suislaw	270,000
Jamestown Klallam	70,000
Timba Sha Shoshone	135,000
Pleasant Point	15,000

Tribe/Agency Operations

Decrease From FY 1987 Base:

Program		FY 1987 Base	FY 1987 Estimate	+/- Difference
Tribe/Agency	$000	301,424	295,088	-6,336
	(FTE)	(3,712)	(3,713)	(+1)

Alaska Reduction ($-6,336,000; FTE -32)

In FY 1987 a total reduction of $12,038,000 and 72 FTE is proposed for Alaska operations. Of this reduction, $6,336,000 and 32 FTE has been taken in programs included in the Indian Priority System. The programs involved are:

	$000	FTE
Scholarships	-1,002	--
Adult Education	-498	--
Agricultural Extension Services	-42	--
Other Aid to Tribal Government	-497	-5
Social Services	-400	-2
Self-Determination Grants	-400	--
Training/Technical Assistance	-300	-5
Adult Vocational Training	-1,216	--
Other Employment Assistance	-517	-1
Road Maintenance	-150	-1
Agriculture	-288	-1
Water Resources	-45	--
Wildlife and Parks	-38	--
Minerals and Mining	-86	--
Executive Direction	-273	-5
Administrative Services	-584	-12
Total	-$6,336	-32

Alaska has only one reservation; over 30 percent of Alaska Natives live in urban areas, and the remainder live in villages, which can receive State revenue sharing under Alaska State law to meet needs. Given the improvement in the State's economy which has benefited the Native economic status; the absence of large blocks of trust land that the United States has statutory responsibility to fully manage; the absence of any tribal treaty rights to be protected; and improved Bureau operating efficiencies; the administration believes that Alaska Natives no longer require the levels of financial support that the Federal Government provided in the past. In the recent past, the State has taken on greater responsibility for serving Alaska Natives with educational and welfare assistance programs.

The justification for each of the program reductions listed above is as follows:

Scholarships: The effect of the proposed reduction will be alleviated because of the availability of substantial state-funded scholarship and loan programs in Alaska.

Adult Education: Recently the federal government turned responsibility for the elementary and secondary education of Alaska natives over to the State. The absence of a federal role in adult education is a reasonable next step.

This small program serves fewer than one in seventy Natives and offers services which are duplicative of those funded by the Department of Education as well as other Bureau programs.

Agricultural Extension Services: This program is supplemental in nature and limited to only two of five agency locations. The University of Alaska extension service programs and other State of Alaska programs are available to meet this need.

Other Aid to Tribal Government: This reduction will be made possible by implementation of a proposed Juneau Area reorganization plan which calls for the establishment of a consolidated service center. Implementation of the plan will decrease the number of Bureau personnel but is not expected to affect the level of funding for P.L. 93-638 contracts in this activity.

Social Services: This decrease reflects a reduced need for monitoring and technical assistance personnel due to the proposed elimination of funding for the Indian Child Welfare Act grant program in Alaska and anticipated cost savings in efficiencies of Bureau operations.

Self-Determination Grants: The majority of this reduction consists of the elimination of funding for five urban communities which currently receive a relatively large share of available self-determination funds. This proposed reduction will bring the Alaska program in line with policy applied in the lower 48 states.

Training/Technical Assistance: Over the last few years, the Juneau Area has directed extra effort and resources towards assuring successful implementation of the Self-Determination Act. This has resulted in a relatively high proportion of P.L. 93-638 contracting of the Area's programs (about double the Bureauwide average). It should now be possible to provide a maintenance level for self-determination training and technical assistance. The proposed reduction also reflects some savings associated with the Area reorganization/consolidation plan.

Adult Vocational Training and Other Employment Assistance: This reduction is proposed in recognition of the positive effects the improvement to the Alaska economy has had on Native incomes and poverty rates. The situation is materially different from the situation among Indians in the lower 48 states, for whom unemployment and poverty rates have remained relatively static. Similar services are available from other Federal and State agencies.

Road Maintenance: The Bureau currently maintains 55 miles of roads in Alaska. These roads will be turned over the State or to the local entities, which benefit from their presence.

Agriculture: The Bureau's agriculture program was designed for the reservation system in the lower 48 states. In Alaska, there is little trust land on which federal oversight must be exercised. The proposed reduction would curtail agriculture activities other than the reindeer program.

Water Resources: The national guidelines for this program were developed for reservations and are not readily applicable in Alaska. Therefore, funding for the program has been eliminated.

Wildlife and Parks: This reduction in the existing program reflects decisions to eliminate some travel funding and to withhold technical assistance related to one of several fishery development proposals.

Minerals and Mining: The funding for this program is proposed for elimination because there is virtually no trust property in Alaska on which to explore for minerals. Moreover, Native allotments (which are held in restricted status) are not granted where there is known mineral potential, in accordance with the 1906 Allotment Act (as amended).

Executive Direction: The proposed reduction reflects the reduced need for executive direction associated with the program reductions and reforms described above.

Administrative Services: The proposed reduction reflects the reduced need for administrative services associated with the program reductions and reforms described above.

Self-Determination Grants (-$4,000,000; FTE 0)

The proposed reduction will partially offset the $5,646,000 increase being proposed for P.L 93-638 Contract Support Funding under the Indian Services budget activity. The Self-Determination grants were established to provide funds to tribes to improve their governments, capapcity to enter into P.L. 93-638 contracts, to acquire land, and to evaluate program operations. The tribes have used these grants extensively during the last twelve years to accomplish the stated purposes. Positive strides have been made in these areas and as originally envisioned in the law authorizing the grants, the program can be gradually phased out. Furthermore, as tribes increase their contracting, indirect cost provisions allow recovery of their costs of administering and supporting contract operations.

Overall Increase (+$4,000,000; FTE +1)

The overall increase to this activity has been distributed by using the automated priority ranking system so that those programs which have received a high priority ranking will benefit. The increase was made to maintain current service program levels and has been distributed only to tribes located in the lower 48 states.

In consultation with tribes and by applying the priority data contained in the Indian Priority System, the $4,000,000 increase, along with off-setting internal increases/decreases results in the following program funding and FTE levels

	$000	FTE
Scholarships	+1,551	--
Adult Education	+203	+3
Tribally Controlled Community Colleges	+291	--
Community Services, General	-246	+1
Agriculture Extension Services	+47	--
Other Aid to Tribal Government	+1,976	+10
Tribal Courts	+571	--
Social Services	+287	+13
Law Enforcement	+82	+2
Self-Determination Services, Grants	+376	--
Self-Determination Services, Training & Technical Assistance	+663	+2
Community Fire Protection	+189	--
Credit and Financing	+352	+7
Adult Vocational Training	+340	-6
Other Employment Assistance	-255	+1
Road Maintenance	-115	+20
Natural Resources General	-56	--
Agriculture	-278	+3
Forestry	-16	+5
Water Resources	-18	-2
Wildlife and Parks	+884	+8
Minerals and Mining	-20	+3
Trust Services General	-94	--
Environmental Quality Services	+42	-1
Other Rights Protection	-617	-5
Real Estate Appraisals	-360	-12
Other Real Estate Services	+863	+49
Financial Trust Services	+176	-87 a/
Executive Direction	+335	+9
Administrative Services	-106	+11
Safety Management	-57	-1
New Tribes (Distributed among above changes)	-2,990	--
Total	+4,000 b/	+33 b/

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a/ Assumes partial contracting of this program, FTE reduction only.

b/ These are the changes as recorded from the Indian Priority System. These figures are adjusted in the overall increase/decrease for Tribe/Agency Operations by: -$6,336,000, -32 FTE for Alaska Reduction; and, -$4,000,000 in self-determination grants.

Overall the increases reflect emphasis on human services programs and the credit and financing program (economic development) with a major decrease occurring in only one trust program. Those programs which show a greater than 10 percent deviation from base are: tribally controlled community colleges, community services (general), other aid to tribal governments, training and technical assistance, community fire protection and credit and financing. Only one trust program, other rights protection, has a greater than 10 percent decrease (17%).

Tribes continue to place emphasis on higher education; training and technical assistance in P.L. 93-638 activities such as developing and implementing contracted program and improving tribal administration; and, oversight and administration for economic development loans and grants. Major funding is available for rights protection activities from funds not part of the tribal priority system; and significant increases have been proposed for other trust and related programs such as, real estate services and wildlife and parks.

Object Class Distribution - Tribe/Agency Operations

	FTE	$000's Amount
Personnel Compensation (FTE)........................	+1	+530,000
Personnel benefits..................................		+3,000
Travel and transportation of persons...............		-500,000
Transportation of things............................		-37,000
Communications, utilities, and other rent..........		+295,000
Other services......................................		-1,234,000
Supplies and materials..............................		-69,000
Equipment...		-800,000
Grants, subsidies, and contributions...............		-4,024,000
Total...	+1	-$6,336,000

Bureau of Indian Affairs
Summary of Requirements by Object Class
(dollar amounts in thousands)

Appropriation: Operation of Indian Programs (Direct Program Only)

Object Class	1987 Base		1987 Estimate		Inc. (+) or Dec. (-)	
	FTE	Amount	FTE	Amount	FTE	Amount
Personnel compensation:						
11.1 Permanent positions	8,716	205,086	8,554	201,304	-162	-3,782
11.3 Positions other than permanent	3,898	56,860	3,843	55,814	-55	-1,046
11.5 Other personnel compensation	--	11,132	--	10,928	--	-204
11.9 Total personnel compensation	12,614	273,078	12,397	268,046	-217	-5,032
12.1 Personnel benefits		33,807		33,157		-650
13.0 Benefits for former personnel		1,914		1,889		-25
21.0 Travel and transportation of persons		11,415		11,000		-415
22.0 Transportation of things		7,827		7,827		--
23.1 Standard level of users charge		9,800		9,800		--
23.3 Communications, utilities and other rent		14,500		14,500		--
24.0 Printing and reproduction		1,244		1,244		--
25.0 Other services		106,971		107,663		+692
26.0 Supplies and materials		74,084		74,009		-75
31.0 Equipment		7,976		7,176		-800
32.0 Lands and structures		743		743		--
41.0 Grants, subsidies, and contributions		136,458		124,891		-11,567
42.0 Insurance claims and indemnities		115		115		--
Total Requirements	12,614	879,932	12,397	862,060*	-217	-17,872

* Does not include obligations relating to unobligated balances carried forward ($1,000,000) for the multi-year funds in Continuing Education and Navajo-Hopi Settlement Program.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION OF INDIAN PROGRAMS
Program and Financing (in thousands of dollars)

14-2100-0-1-999	[illegible] Actual	[illegible] Estimate	[illegible] Estimate
Program by activities:			
Direct program:			
00.01 Education	[illegible]	[illegible]	[illegible]
00.02 Indian services	[illegible]	[illegible]	[illegible]
00.03 Economic development and employment programs	[illegible]	[illegible]	[illegible]
00.04 Natural resources development	[illegible]	[illegible]	[illegible]
00.05 Trust responsibilities	[illegible]	[illegible]	[illegible]
00.06 Facilities management	[illegible]	[illegible]	[illegible]
00.07 General administration	[illegible]	[illegible]	[illegible]
00.08 [illegible]	[illegible]	[illegible]	[illegible]
00.91 Total direct program	[illegible]	[illegible]	[illegible]
01.01 Reimbursable program	[illegible]	[illegible]	[illegible]
10.00 Total obligations	[illegible]	[illegible]	[illegible]
Financing:			
Offsetting collections from:			
11.00 Federal funds	[illegible]	[illegible]	[illegible]
14.00 Non-Federal sources	[illegible]	[illegible]	[illegible]
21.40 Unobligated balance available, start of year	[illegible]	[illegible]	[illegible]
24.40 Unobligated balance available, end of year	[illegible]	[illegible]	[illegible]
25.00 Unobligated balance lapsing	[illegible]	[illegible]	[illegible]
39.00 Budget authority	[illegible]	[illegible]	[illegible]
Budget authority:			
40.00 Appropriation	[illegible]	[illegible]	[illegible]
40.00 [illegible]	[illegible]	[illegible]	[illegible]
41.00 Transferred to other accounts	[illegible]	[illegible]	[illegible]
42.00 Transferred from other accounts	[illegible]	[illegible]	[illegible]
43.00 Appropriation (adjusted)	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

Program and Financing (in thousands of dollars)

Identification code	[illegible] actual	[illegible] estimate	[illegible] estimate
Relation of obligations to outlays:			
71.00 Obligations incurred, net	[illegible]	[illegible]	[illegible]
72.40 Obligated balance, start of year	[illegible]	[illegible]	[illegible]
74.40 Obligated balance, end of year	[illegible]	[illegible]	[illegible]
77.00 Adjustments in expired accounts	[illegible]	[illegible]	[illegible]
90.00 Outlays	[illegible]	[illegible]	[illegible]

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION OF INDIAN PROGRAMS
PERSONNEL SUMMARY

14-2100-0-1-999	1985 Actual	1986 Estimate	1987 Estimate
Direct:			
Total number full-time permanent positions	8,712	8,403	8,443
Total compensable workyears:			
Full-time equivalent employment	11,445	11,766*	11,549*
Full-time equivalent of overtime and holiday hours	336	312	304
Reimbursable:			
Total full-time permanent positions	371	361	361
Total compensable workyears:			
Full-time equivalent employment	868	878	868
Full-time equivalent of overtime and holiday hours	17	17	17

*NOTE: Differs from Appendix, includes 25 transferred from Education Resources to ADP Services.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION OF INDIAN PROGRAMS
Object Classification (in thousands of dollars)

14-2100-0-1-999	1985 Actual	1986 Estimate	1987 Estimate
Direct obligations:			
Personnel compensation:			
11.1 Full-time permanent	202,920	205,086	201,304
11.3 Other than full-time permanent	57,518	56,860	55,814
11.5 Other personnel compensation	11,087	11,132	10,928
11.8 Special personal services payments	8,032	---	---
11.9 Total personnel compensation	279,557	273,078	268,046
12.1 Personnel benefits: Civilian	34,627	33,807	33,157
13.0 Benefits for former personnel	1,973	1,926	1,889
21.0 Travel and transportation of persons	11,802	11,415	11,000
22.0 Transportation of things	9,117	7,827	7,827
23.1 Standard level user charges	12,907	10,240	9,800
23.3 Communications, utilities, and other rent	21,234	14,500	14,500
24.0 Printing and reproduction	1,570	1,244	1,244
25.0 Other services	401,791	330,639	308,663
26.0 Supplies and materials	56,026	74,084	74,009
31.0 Equipment	10,901	7,976	7,176
32.0 Lands and structures	636	743	743
33.0 Investments and loans	3	---	---
41.0 Grants, subsidies, and contributions	78,722	127,314	124,891
42.0 Insurance claims and indemnities	26	115	115
99.0 Subtotal, direct obligations	918,907	894,928	863,060
99.0 Reimbursable obligations	42,463	35,678	36,000
99.9 Total obligations	961,370	930,606	899,060

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION OF INDIAN PROGRAMS

P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

14-2100-6-1-999	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations..................	---	- 38,396	---
Financing:			
25.00 Unobligated balance lapsing........	---	43	---
40.00 Budget Authority...................	---	- 38,353	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net..........	---	- 38,396	---
72.40 Obligated balance, start of year...	---	---	- 7,264
74.40 Obligated balance, end of year.....	---	7,264	---
90.00 Outlays............................	---	- 31,132	- 7,264

OBJECT CLASSIFICATION

Direct Obligations:			
92.0 Undistributed.......................	---	- 38,396	---
99.0 Subtotal, direct obligations........	---	- 38,396	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
CONSTRUCTION

For construction, major repair and improvement of irrigation and power systems, buildings, utilities, and other facilities, including architectural and engineering services by contract; acquisition of lands and interests in lands; preparation of lands for farming; and [construction, repair,] repair and improvement of Indian housing, [$101,054,000] $59,155,000 to remain available until expended. [Provided, That no funds shall be expended for land acquisition on behalf of the Covelo Indian Community until the Community has sufficient non-Federal funds, which when combined with the Federal funds, will complete the land acquisition: Provided further, That such amount includes $22,000,000 for use by the Secretary to construct homes and related facilities for the Navajo and Hopi Indian Relocation Commission in lieu of construction by the Commission under section 15(d)(3) of the Act of December 22, 1974 (88 Stat. 1719; 25 U.S.C. 640d-14(d)(3)), and to ensure that a priority for the use of these funds is given to Navajo families who are actual, physical residents of the Hopi Partioned Lands on the date of enactment hereof, and to expedite relocations and construction under this proviso (1) with respect to any lands acquired pursuant to section 11(a) of the Act of December 22, 1974 (25 U.S.C. 640d-10(a)), the Secretary shall not be required to enter into contracts under section 102 of the Indian Self-Determination Act (88 Stat. 2206; 25 U.S.C. 450f) in carrying out this proviso, (2) the Secretary's authority under section 106(a) of the Indian Self-Determination Act (88 Stat. 2210; 25 U.S.C. 450j(s)) shall apply for contracts for construction under this proviso without regard to the status of the contractors with respect to any lands acquired pursuant to section 11(a) of the Act of December 22, 1974 (25 U.S.C. 640d-10(a)), (3) the Secretary may carry out construction and lease approvals or executions under this proviso without regard to the Commission's regulations and under such administrative procedures as the Secretary may adopt without regard to the rulemaking requirements of any law, executive order, or regulation, (4) an action under this proviso is not a major Federal action for the purpose of the National Environmental Policy Act of 1969, as amended, and (5) after January 1, 1986, the Secretary may issue leases and rights-of-way for housing and related facilities to be constructed on the lands which are subject to section 11(h) of the Act of December 22, 1974, as amended (25 U.S.C. 640d-10(h)).]

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Language Change

1. Addition: "...buildings, utilities, and other facilities..."

This language is necessary to cover major repair and improvement of BIA buildings, utilities, and other facilities, as authorized by law.

2. Addition: "...repair..."

This language is necessary to cover repair of Indian housing, which is authorized by law.

3. Deletion: "Provided, That no funds shall be expended for land acquisition on behalf of the Covelo Indian Community until the Community has sufficient non-Federal funds, which when combined with the Federal funds, will complete the land acquisition:"

This language pertains specifically to funding provided in Fiscal Year 1986. Therefore, the language is no longer necessary.

4. Deletion: "Provided further, That such amount includes $22,000,000 for use to construct homes and related facilities for the Navajo and Hopi Indian Relocation Commission in lieu of construction by the Commission under section 15(d)(3) of the Act of December 22, 1974 (88 Stat. 1719; 25 U.S.C. 640d-14(d)(3)), and to ensure that a priority for the use of these funds is given to Navajo families who are actual, physical residents of the Hopi Partioned Lands on the date of enactment hereof, and to expedite relocations and construction under this proviso (1) with respect to any lands acquired pursuant to section 11(a) of the Act of December 22, 1974 (25 U.S.C. 640d-10(a)), the Secretary shall not be required to enter into contracts under section 102 of the Indian Self-Determination Act (88 Stat. 2206; 25 U.S.C. 450f) in carrying out this proviso, (2) the Secretary's authority under section 106(a) of the Indian Self-Determination Act (88 Stat. 2210; 25 U.S.C. 450j(a)) shall apply for contracts for construction under this proviso without regard to the status of the contractors with respect to any lands acquired pursuant to section 11(a) of the Act of December 22, 1974 (25 U.S.C. 640d-10(a)), (3) the Secretary may carry out construction and lease approvals or executions under this proviso without regard to the Commission's regulations and under such administrative procedures as the Secretary may adopt without regard to the rulemaking requirements of any law, executive order, or regulation, (4) an action under this proviso is not a major Federal action for the purpose of the National Environmental Policy Act of 1969, as amended, and (5) after January 1, 1986, the Secretary may issue leases and rights-of-way for housing and related facilities to be constructed on the lands which are subject to section 11(h) of the Act of December 22, 1974, as amended (25 U.S.C. 640d-10(h))."

The wording "after January 1, 1986," makes the deleted language permanent law. Therefore, the language is no longer necessary.

Appropriation Language and Citations

1. For construction, major repair and improvement of irrigation and power systems,

For construction, major repair and improvement of irrigation and power systems involving irrigation canals, wells, hydro-electric dams, and water and electrical distribution systems.

25 U.S.C. 13
25 U.S.C. 631(2)

25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services, including construction of facilities, to support operating programs to federally recognized Indians. This Act also provides for the extension, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supplies. In addition, most of the major projects have specific authorizations.

25 U.S.C. 631(2), In order to further the purposes of existing treaties with the Navajo and Hopi Indians to provide facilities essential in combating hunger, disease, poverty, and demoralization among its members, section 2 includes the following:

> (2) Completion and extension of existing irrigation projects, and completion of the investigation to determine the feasibility of the proposed San Juan-Shiprock irrigation project.

2. buildings utilities, and other facilities,

For construction, major repair, and improvement of all BIA buildings, utilities, and other facilities, including demolition of obsolete structures and consolidation of underutilized facilities.

25 U.S.C. 13
25 U.S.C. 450
25 U.S.C. 631(12)(14)

25 U.S.C. 450 (The Indian Self-Determination and Education Assistance Act) in Section 458 authorizes construction of public school facilities serving Indian children and permits expending not more than 25 percent of any funds appropriated for construction of previously private schools.

25 U.S.C. 631 (12)(14), In order to further the purposes of existing treaties with the Navajo and Hopi Indians to provide facilities essential in combating hunger, disease, poverty, and demoralization among its members, sections 12 and 14 include the following:

(12) School buildings and equipment, and other educational measures.

(14) Common service facilities.

3. including architectural and engineering services by contract;

The construction program includes the advertisement for architectural and engineering services through the Buy Indian Act, P.L. 93-638, and open market contracts.

25 U.S.C. 13
25 U.S.C. 450 (P.L. 93-638)

4. acquisition of lands and interests in lands;

The program includes the acquisition of land and interests in lands, as directed by Congress and the judicial decisions.

25 U.S.C. 465

The Secretary of the Interior is hereby authorized, in his discretion, to acquire, through purchase, relinquishment, gift, exchange, or assignment, any interest in lands, water rights, or surface rights to lands, within or without existing reservations, including trust or otherwise restricted allotments, whether the allottee be living or deceased, for the purpose of providing land for Indians.

5. preparation of lands for farming;

The construction program includes functions relating to preparation of lands for farming and irrigation, such as cleaning, leveling, terracing, and installation of irrigation systems.

25 U.S.C. 13
25 U.S.C. 465

6. and repair and improvement of Indian housing,

The construction program also includes funds for housing improvement and development to provide decent, safe, and sanitary housing to Indian communities.

25 U.S.C. 13

7. $, to remain available until expended:

No Specific Authority

This appropriation involves construction projects which require more than a one-year cycle from their beginning stages through the actual construction of facilities. Therefore, funds are to remain available until expended.

BUREAU OF INDIAN AFFAIRS

Status of and Request for Budgetary Resources

Account: Construction 14X2301

FY 1986 Budgetary Status

Budget Authority Available:		
Appropriation realized		$105,348
Prior-year unobligated balance brought forward		41,691
Anticipated recovery of prior-year obligations		---
Total available for obligation		147,039
Less anticipated obligations (by activity):		
1. Buildings and Utilities	$-44,990	
2. Irrigation systems	-30,346	
3. Housing	-37,884	
4. Land acquisition	-3,615	
Total anticipated obligations		$-116,835

FY 1987 Request

Anticipated unobligated balance brought forward		$30,204
Plus increases proposed (by activity):		
1. Buildings and Utilities	$+28,960	
2. Irrigation systems	+13,900	
3. Housing	+16,295	
4. Land acquisition	---	
Total increase proposed		$ 59,155
Total Anticipated BA available for obligation		$ 89,359

Analysis of Budgetary Resources by Activity
(Dollar Amounts in Thousands)

Account: Construction

Activity	FY 1985 Approp.	FY 1986 Approp.	FY 1987 Approp.	FY 1987 (+)/(-) from 1986 Approp.
1. Buildings & Utilities				
BA available for obligation:				
Appropriation.............	56,509	35,365	28,960	-6,405
Unoblig. bal. brt. fwd....	24,013	17,872	8,247	-9,625
Total BA available.....	80,522	53,237	37,207	-16,030
Less obligations............	50,150	44,990	32,750	-12,240
Subtotal....................	30,372	8,247	4,457	-3,790
Transfer out................	-12,500*	---	---	---
Unoblig. bal. brt. fwd......	17,872	8,247	4,457	-3,790
2. Irrigation Systems				
BA available for obligation:				
Appropriation............	25,853	18,221	13,900	-4,321
Unoblig. bal. brt. fwd...	37,168	19,711	12,486	-7,225
Total BA available....	63,021	37,932	26,386	-11,546
Less obligations...........	43,660	30,346	22,100	-8,246
Subtotal....................	19,361	7,586	4,286	-3,300
Transfer in.................	12,850**	4,900***	---	---
Transfer out................	-12,500*	---	---	---
Unoblig. bal. brt. fwd.....	19,711	12,486	4,286	-3,300
(FTE)	(81)	(81)	(81)	(--)
3. Housing				
BA available for obligation:				
Appropriation...........	22,736	44,476	16,295	-28,181
Unoblig. bal. brt. fwd..	1,035	2,879	9,471	+6,592
Total BA available...	23,771	47,355	25,766	-21,589
Less obligations..........	20,892	37,884	21,600	-16,284
Subtotal..................	2,879	9,471	4,166	-5,305
Transfers.................	---	---	---	---
Unoblig. bal. brt. fwd....	2,879	9,471	4,166	-5,305
(FTE)	(65)	(71)	(68)	(-3)
4. Land Acquisition				
BA available for obligation:				
Appropriation............	2,394	2,386	---	-2,386
Unoblig. bal. brt. fwd...	1,167	1,229	---	-1,229
Total BA available....	3,561	3,615	---	-3,615
Less obligations..........	2,332	3,615	---	-3,615
Subtotal..................	1,229	---	---	---
Transfers.................	---	---	---	---
Unoblig. bal. brt. fwd....	1,229	---	---	---

Continued - Account: Construction

Activity	FY 1985 Approp.	FY 1986 Approp.	FY 1987 Approp.	FY 1987 (+)/(-) from 1986 Approp.
Account Totals				
BA available for obligation:				
Appropriation..............	107,492	100,448	59,155	-41,293
Unoblig. bal. brt. fwd....	63,383	41,691	30,204	-11,487
Total BA available.........	170,875	142,139	89,359	-52,780
Less obligations.................	117,034	116,835	76,450	-40,385
Subtotal.........................	53,841	25,304	12,909	-12,395
Transfers........................	-12,150	+4,900	---	---
Unoblig. bal. brt. fwd..........	41,691	30,204	12,909	-12,395
(FTE)	(146)	(152)	(149)	(-3)

* Transfer of $25,000,000 to OIP account for FY 1985 fire suppression costs.

** Transfer of $12,850,000 from OIP account to repay FY 1984 fire suppression cost.

*** Transfer of $4,900,000 from National Park Service to repay 1984 fire suppression cost.

Program and Performance

1. Building and Utilities - This activity consists of construction and additions to Bureau facilities.

2. Irrigation systems - This activity provides for the construction, extension and rehabilitation of irrigation projects and related power systems on Indian reservations.

3. Housing - This program provides for the repair of housing for needy Indians.

Justification for Construction

Account: Construction
Activity: Buildings & Utilities

(Dollar amounts in thousands)

Program Elements		FY 1986 Enacted To Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) Dec. (-) From Enacted
A. Advance Planning & Design	$	1,100		---	-1,100
	(FTE)	(---)		(---)	(---)
B. Facility Improvement & Repair	$	37,265		28,960	-8,305
	(FTE)	(---)		(---)	(---)
Program Offset (FY 1985 Deferral)	$	-3,000		---	+3,000
	(FTE)	(---)		(---)	(---)
Total Requirements	$	35,365	33,844	28,960	-6,405
	(FTE)	(---)	(---)	(---)	(---)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Buildings and Utilities	$35,365	$-1,521	$33,844

As a result of the P.L. 99-177 reduction, the options that would be considered in the Advance Planning and Design for FI&R projects will be reduced. The Facility Improvement and Repair program will be reduced by the renovation of at least one school site.

A. Advance Planning and Design

No funds are requested in this category for FY 1987 since the planning and design work for construction projects funded through FY 1987 has been completed.

B. Facility Improvement and Repair Program

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services, including improvement and repair of facilities to support operating programs, to Federally recognized Indians.

Objectives:

1. To reduce facility improvement and repair needs, with emphasis on critical life safety needs as they arise;

3. To consolidate under-utilized facilities, particularly school plants, to maximize use of existing facilities and to eliminate or reduce some of the continuing costs of repair, operation, and maintenance;

5. To repair or refurbish facilities (e.g., renovations, improvements, modifications, or additions) in lieu of total new construction; and

6. To continue the boiler repair and emergency repair programs.

Justification ([illegible]): The Bureau of Indian Affairs manages over [illegible] structures at approximately [illegible] locations throughout the United States. The improvement and repair of these structures is a continuing effort. There are opportunities for cost savings through consolidation of facilities which are underutilized. Also, excess facilities that are unsafe or determined to be in excess of Bureau needs will be disposed of by transfer, sale, or demolition. The major thrust of the Construction - Buildings and Utilities subactivity has shifted from building new facilities to improving and repairing existing facilities. Further studies of schools and other facilities on or near reservations will continue to be undertaken to determine which facilities can be consolidated and/or closed and which should be repaired or remodeled. In addition to accomplishing needed repairs and improvements, correcting functional deficiencies, and modernizing to meet today's standards, there are requirements for compliance with mandated programs concerning safety, environmental protection, energy conservation, and the handicapped. Included in this activity is the acquisition of [illegible] and [illegible] under the [illegible] program. Major items include upgrading buildings and utilities to correct existing functional, health, and/or unsanitary conditions, and bringing various structures up to regulatory requirements. Emergency repairs will be required at some facilities to correct accident damage which prevents the operation of the Bureau program. Some [illegible] structures, because of prohibitive costs to update or renovate, will be demolished and replaced. The installation of equipment will be required in instances where facilities are expanded or functionally changed in order to meet program requirements.

The need for FI&R projects will continue until all Bureau facilities can be maintained under a normal maintenance program and all structures for [illegible] facilities are replaced. The annual boiler inspection program will continue, with funds needed for boiler repair or replacement and for continued safety inspections. Funds are also provided for advance design of facilities improvements of future year repair and improvement projects. The status of the FY [illegible] projects is shown in the table on the next page. The FY [illegible] FI&R program list will be published in the Federal Register at a later date.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

FACILITY IMPROVEMENT & REPAIR PROGRAM JUSTIFICATION FOR FY 1987

Description:

Construction......................................	$20,260,000
Construction Support.............................	8,700,000
TOTAL FY 1987 PROGRAM	$28,960,000

The $20,260,000 requested is the amount required to fund estimated FI&R construction contract awards. The $8,700,000 requested for support finances includes design and engineering costs; the emergency, boiler, and minor improvement repair programs; and equipment, construction contingency, and management inspection costs. Planning for the FY 1987 FI&R Priority Listing is underway. As soon as the FY 1986 program is finalized, a more definitive listing of projects proposed for FY 1987 can be determined.

Construction ($20,260,000)

Work to be performed in FY 1987 will consist of design and construction improvements, which may be categorized as follows (not all types of work will be performed on each project):

General Repair: This work includes all items needing repair, but which do not involve safety codes or proper functional use of the building. Examples: replacing deteriorated roofing, siding, flooring.

Functional Deficiency Correction: This work involves correcting those deficiencies that interfere with the intended functional use of the structure. Examples: moving partitions to provide proper traffic patterns or better classroom space, upgrading electrical circuits, providing adequate lighting.

Code Deficiency Correction: This work involves correcting those deficiencies related to building codes which are not considered to be of imminent danger to the occupants. Examples: improving ventilation, adding bathrooms and drinking fountains.

Life Safety or Environmental Hazards Correction: This type of work involves correcting all items that threaten the lives of occupants under normal or emergency circumstances. Examples: providing fire-rated exits, fire alarms, and emergency lighting, removal of asbestos.

Energy Efficiency Improvement. This type of work involves modifications and remodeling to reduce energy loss through the shell of the building or to increase the efficiency of heat generation and distribution. Examples: installing insulation, replacing deteriorated utility systems.

Handicapped Accessibility Improvement: These improvements are made by modifications, remodeling, or providing additions to make occupied portions of the structure accessible to handicapped people in wheelchairs. Examples: installation of ramps, modifications of restrooms.

Demolition: Structures which are unsafe or otherwise unfit for use and which cannot be economically restored to useful service are demolished.

Construction Support ($8,700,000)

Emergency Repair ($600,000): Emergency Repair needs result from unforeseen occurrences and require immediate corrective action to allow the day-to-day operations of the various Bureau programs to continue. These funds are administered by the Facilities Engineering Staff and are channeled through the Area Facilities Management Offices to the facility location for accomplishment of the work. The projects are then completed via force account or emergency contract for the work involved. Examples: repairing or replacing mechanical and utility system components, correcting fire or storm damage.

Boiler Repair ($1,500,000): The Bureau has approximately 2,600 boilers and 500 L.P. tanks at 215 facilities. To insure the safe, proper, and efficient use of these boilers, the Bureau provides for operator training, annual inspections, routine maintenance, and necessary repairs. Funds for the boiler repair program will be programmed to locations identified by the annual boiler inspection. The Bureau estimates that during the fiscal year approximately 40 facilities will need major repair work, involving some 100 boilers. The repairs are estimated to average about $15,000 per repair, for a total of approximately $1,500,000.

The Boiler Repair Program is performed by the Bureau's Area and Agency Offices, with oversight provided by the Facilities Engineering Staff. (Routine maintenance of boilers is a part of the Bureau's Operation and Maintenance program, not the FI&R program, but it is mentioned here to provide a total picture of the Bureau's boiler-related activities.)

Minor Repair ($2,500,000): Minor repair involves correcting all items, including asbestos abatement in BIA and contract schools, needing repair which can be accomplished at the local level without engineering or design assistance, and which are beyond the capacity of the Operation and Maintenance Program. Examples: repairing water tanks, windows, roofs.

Advance Planning and Design ($600,000): Funds for advance planning and design will be used to provide project working drawings and specifications for FI&R construction during the following fiscal year. When a project design is completed in advance, construction contracts can be awarded in the first and second quarters of the fiscal year. In addition, projects can be coordinated and phased to minimize classroom disruption, to allow for climatic considerations (e.g., northern states have a short construction season), and to provide for modifications required by curriculum changes.

The remaining amount ($3,500,000) for Construction Support includes funds for project contingency ($1,500,000); management and inspection ($1,500,000); and equipment ($500,000).

Justification for Construction

Account:	Construction
Activity:	Irrigation Systems

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) Dec. (-) From Enacted
San Carlos Rehab/Herbicide	$ 2,500		---	-2,500
Papago (P.L. 97-293)	$ 2,500		1,500	-1,000
Flathead Irrigation Rehab.	$ ---		1,000	+1,000
Ak-Chin (P.L. 95-328)	$ 1,400		---	-1,400
Dam Safety	$ 9,200		9,155	-45
Surveys and Designs	$ 876		500	-376
Engineering and Supervision	$ 1,745		1,745	---
	(FTE) (81)		(81)	---
Total Requirements	$ 18,221	17,438	13,900	-4,321
	(FTE) (81)	(--)	(81)	(--)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L.99-177 Reduction	FY 1986 Adjusted Approp.
Irrigation Systems	$18,221	$-783	$17,438

The effect of P.L. 99-177 will be slight reductions in Engineering and Supervision and in Survey and Design work of the Bureau, as well as in the San Carlos rehabilitation project. A more substantial reduction in Safety of Dams funding will result in a reduced number of inspections of low-hazard dams and slippage of some lesser structural modifications to a later time.

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides for the extension, improvement, operation, and maintenance of existing Indian irrigation systems and for development of water supplies. In addition, most of the major projects have specific authorizations.

Objectives: To develop water supplies and the distribution systems needed to irrigate all practicably irrigable Indian lands. This involves the construction of new irrigation systems and the extension and/or rehabilitation of existing irrigation systems so that Indian lands in the arid and semi-arid West can be developed to their full productive capacity. By doing so, this program will provide a means by which Indians can put much of their valuable water to beneficial use.

Program Summary: The estimate of $13,900,000 will provide $1,500,000 to implement the Southern Arizona Water Rights Settlement Act; $1,000,000 to initiate the rehabilitation of the irrigation distribution system of the Flathead Indian Irrigation Project; $9,155,000 to implement the safety of dams program, as directed by Secretarial Order No. 3048 of February 28, 1980; $500,000 for surveys and designs to determine the need for rehabilitation work on existing projects; and $1,745,000 for engineering and supervision.

Justification: Detailed justifications are provided for irrigation construction expenditures identified herein.

Irrigation Construction Projects
Fiscal Year 1987

The detailed project justifications for the irrigation construction expenditures are as follows:

a. Project Construction..$1,000,000

Flathead Project Rehabilitation....................................$1,000,000

On October 2, 1984, the Secretary directed the BIA and the Bureau of Reclamation to conduct a comprehensive examination of the Flathead Indian Irrigation Project. The examination was completed in October of 1985. Based on the report of identified and documented deficiencies of the Project, the Secretary, by memorandum dated November 29, 1985, directed that the Bureau of Reclamation manage the water releases and associated delivery system of the project. He also directed the Assistant Secretaries of Indian Affairs and Water and Science to initiate a program to rehabilitate the irrigation distribution system. This $1 million request is to start the rehabilitation program. Phasing of the proposed rehabilitation work will consider the results of the ongoing water rights adjudication and further engineering evaluation of the system by the Bureau of Reclamation.

b. Surveys and Designs...$500,000

Surveys and designs are required to provide the planning necessary for extension and rehabilitation of existing projects. Engineering and soil surveys, geological investigations, and water availability determinations are essential in ascertaining physical feasibility of development. Costs and benefits are calculated for proposed developments, and projects are formulated to provide Indian economic development where water is the critical element. These surveys and designs are performed by or under the direction of existing staff at Area and Project Offices. Where necessary, in-house capability will be supplemented by contract.

c. Engineering and Supervision.......................................$1,745,000

This item represents funds for salaries, travel, and operational expenses for project engineering, design, and construction supervision. Most staff employees engaged in these activities are located in Bureau of Indian Affairs field offices and are headquartered in Albuquerque, New Mexico; Billings, Montana; Phoenix, Arizona; Portland, Oregon; Sacramento, California; and Window Rock, Arizona.

d. Water Settlements...$1,500,000

Papago...$1,500,000

The Southern Arizona Water Rights Settlement Act (Title III of P.L. 97-293, dated October 12, 1982) prescribes actions required by the Government and by the Papago Tribe to effectuate the settlement with the Papagos. A total of $20,490,000 was provided in the FY 1983 Supplemental Appropriations Act ($20,250,000 to establish two trust funds directed by the Act, and $240,000 to commence activities associated with fulfillment of responsibilities directed by the Act). Other available funds totaling $315,000 were also assigned to these activities in FY 1983. For FY 1984, $1,850,000 was approved for reprogramming; $4,180,000 was provided in FY 1985; and $2,500,000 was appropriated in FY 1986 to continue required implementation measures. The following activities are required during FY 1987 to maintain the implementation schedule:

Complete the water resources inventory and exploration on the main reservation at Sells, Arizona, at a cost of $1,500,000, as follows:

1. Deep well drilling & testing, 16 wells @ $70,000 each	$1,120,000
2. Aquifer Modeling	200,000
3. Water Quality testing and evaluation	80,000
4. Geotechnical Services	100,000
Total	$1,500,000

e. Safety of Dams..$9,155,000

In recognition of a need to assess and address dam safety deficiencies of structures being managed and operated by the Bureau of Indian Affairs, the Assistant Secretary - Indian Affairs, on May 5, 1978, executed a Memorandum of Understanding with the Commissioner of Reclamation to provide technical expertise in the field of dam safety inspection, consultation, and related activities. Subsequently, dam safety deficiencies were identified as a Department-wide concern, and on February 28, 1980, Secretarial Order 3048 was issued in recognition of this program need. The Memorandum of Understanding executed in 1978 continued to be utilized as the primary instrument in implementing the Secretarial Order. The Bureau of Reclamation, on a reimbursable basis, provides initial inspections and evaluations of the high and significant hazard-potential dams and follows up with required periodic inspections and reevaluations of structures that are the responsibility of the Bureau of Indian Affairs. The first round of initial on-site inspections was completed in FY 1984, with a number of evaluations and reports completed in FY 1985; however, four additional dams were identified for review in terms of need for initial on-site inspection and confirmation of downstream hazard potential: Canyon Diablo, Round Rock, and Wauneka Dams in the Navajo Area and Meneger's Dam in the Phoenix Area.

The Bureau of Indian Affairs has designated an irrigation program engineer at each Area Office and at the Central Office to perform safety of dam activities as a collateral duty.

The funding required for structural modifications for 52 structures will be updated and/or ascertained in FY 1986. Schedules for corrective work have been developed and priorities have been established, based upon the severity of the identified safety deficiencies, among other factors, as they relate to public safety.

The summary of proposed Safety of Dams funding for FY 1987 is as follows:

High-hazard potential dams - intermediate inspections and evaluations	$ 300,000
Low-hazard potential dams - inspections and evaluations, and program coordination	225,000
Early Warning Systems	250,000
Structural modifications, in priority order:	
Blackrock (Zuni Agency, New Mexico)	1,780,000
Weber (Nevada Agency, Nevada)	1,025,000
Tabor (Flathead Agency, Montana)	645,000
Pablo (Flathead Agency, Montana)	500,000
Oglala (Pine Ridge Agency, South Dakota)	240,000
Ganado (Navajo, Arizona)	635,000
Parmelee (Rosebud Agency, South Dakota)	455,000
Picacho (San Carlos Agency, Arizona)	550,000
He Dog (Rosebud Agency, South Dakota)	550,000
Ponca (Rosebud Agency, South Dakota)	535,000
Tufa Stone (San Carlos Agency, Arizona)	475,000
Aassyi (Navajo, Arizona)	540,000
Elgo (San Carlos Agency, Arizona)	450,000
Total	$9,155,000

(1) High-hazard potential dams - intermediate inspections and evaluations ($300,000): The intermediate inspections at 3-year intervals and the formal SEED inspections at 6-year intervals constitute the ongoing inspection activity in the dam safety program. In FY 1985, thirteen structures were scheduled for intermediate inspection and evaluation.

(2) Low-hazard potential dams - inspections and evaluations, and program coordination ($225,000): Inspections and evaluations of 228 low-hazard dams have not proceeded as rapidly as those for high-hazard dams. Funds are provided to continue this work in FY 1987. Program coordination will be a continuing need for ongoing work with the Bureau of Reclamation, with field staff assigned dam safety responsibilities, and to provide or to attend training sessions and other meetings on dam safety.

(3) Early Warning Systems ($250,000): Funds will be used to provide early warning systems at approximately 10 dams. Final reports are not complete at this time; however, based on preliminary evaluations, the systems will be installed at: Ray Lake Dam, Black Lake Dam, Equalizer Dam, Jocko Dam, Lower Mundo Dam, Captain Tom Dam, Kickinghorse Dam, Ninepipe Dam, Round Rock Dam, and Meneger's Dam. Absent final reports, the structures have not been prioritized. The cost of the systems will range from $15,000 to $30,000.

(4) Structural Modifications:

Blackrock ($1,780,000): The funds will be used to complete the modification work of enlarging the spillway capacity and constructing a new cutoff and slurry trenches.

Weber ($1,025,000): Funds will be used to complete the work to enlarge the spillway and/or to raise the dam and to provide a downstream stability berm.

Tabor ($645,000): $145,000 will provide for the modification analysis and preparation of the conceptual and final designs; $500,000 will start the construction phase of the modification - replace outlet works, extend downstream toe of the dam, and enlarge the spillway capacity. An additional $662,250 will be needed to complete the work.

Pablo ($500,000): $125,000 will provide for the modification analysis and preparation of the conceptual and final designs; $375,000 will start the modification work of replacing outlet works, cutoff and slurry trenches, and extend the downstream toe of the dam. An additional $500,000 will be needed to complete the work.

Oglala ($240,000): Funds will complete the modification work started in FY 1986 to either enlarge the spillway and/or raise the dam.

Ganado ($635,000): $85,000 will provide for the modification analysis and preparation of conceptual and final designs; $550,000 will start the actual modification work of enlarging the spillway capacity and replacing the outlet works. An additional $31,750 will be needed to complete the work.

Parmelee ($455,000): Funds will complete the modification work started in FY 1986 to enlarge the spillway capacity, extend the outlet works, and provide a downstream stability berm.

Picacho ($550,000): $100,000 will provide for the modification analysis and the preparation of the conceptual and final designs; $450,000 will start the modification work on enlarging the spillway capacity and providing a downstream stability berm. An additional $552,000 will be needed to complete the work.

He Dog ($550,000): $75,000 will provide for the modification analysis and the preparation of conceptual and final design; $475,000 will provide for the modification work of enlarging the spillway capacity, extending the outlet works, and extending the downstream toe of the dam.

Ponca ($535,000): $85,000 will provide for the modification analysis and the preparation of conceptual and final designs; $450,000 will start the modification work of rehabilitating the primary spillway structure, enlarging the auxiliary spillway, and rehabilitating the outlet works. An additional $100,000 will be needed to complete the work.

Tufa Stone ($475,000): $75,000 will provide for the modification analysis and the preparation of conceptual and final designs; $400,000 will provide for the modification work of enlarging the downstream toe of the dam and rehabilitating and extending the outlet works.

Aassyi ($540,000): $105,000 will provide for the modification analysis and the preparation of conceptual and final designs; $435,000 will start the modification work of enlarging the spillway capacity and/or raising the dam. An additional $478,500 will be needed to complete the work.

Elgo ($450,000): $70,000 will provide for the modification analysis and the preparation of conceptual and final designs; $380,000 will provide for the modification work of enlarging the spillway capacity.

Justification for Construction

Acount: Construction

Activity: Housing

(Dollar amounts in thousands)

Program Element		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) Dec. (-) From Enacted
Housing					
Housing Development	$	2,599		2,449	-150
Housing Improvement Program	$	19,884		13,723	-6,161
Training	$	123		123	---
Navajo/Hopi Housing Construction	$	21,870		---	-21,870
Total Requirements	$	44,476	42,564	16,295	-28,181
	(FTE)	(71)		(68)	(-3)

Gramm-Rudman-Hollings Impact

	FY 1986 Enacted to Date	P.L. 99-177 Reduction	FY 1986 Adjusted Approp.
Housing	$ 44,476	$-1,912	$42,564

As a result of the P.L. 99-177 reduction, 115 fewer repairs will be made and 21 fewer houses will be built. In addition, hiring of staff will be delayed by several weeks to a month.

Housing

Authorization: 25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services, including housing, to federally recognized Indian tribes.

Objectives: To provide decent, safe, and sanitary housing for Indians in Indian communities.

Justification: The Housing program requirements are based on the FY 1985 Indian housing inventory. This new inventory shows the following needs:

Service populations (families)	176,080
Less: Existing dwellings in standard condition	-85,840
Families in need of housing assistance: (total need)	90,240
Houses suitable for renovation to standard	(40,600)
New homes required	(49,640)

Following the Congressional direction contained in the FY 1984 Department of the Interior and Related Agencies Appropriations Conference Report, the Bureau of Indian Affairs (BIA) developed a new system of allocation of Housing Improvement Program (HIP) funds. This system became effective beginning in FY 1986.

The allocation of funds is based on a country-wide inventory of tribal needs. The tribal submissions to the BIA Central Office revealed a demand for housing services of approximately $44 million for FY 1986. The Bureau's Division of Housing Assistance reviewed these submissions and allocated the HIP funds appropriated for FY 1986 in proportion to the need.

Because demand for services exceeds the amount of funds available, the BIA prorated the amounts appropriated relative to the need. In some instances where the needs are relatively small and can be met within one to two years, the Bureau will allocate enough funding for the tribal HIP to be completed within that time span. Since not enough funds will be available for all small projects to be undertaken in a given fiscal year, after consultation with tribes affected, these projects are handled on a rotation basis.

The funding requested for FY 1987 will be allocated among reservations/tribes in accordance with the new distribution system. The primary goal is to reduce or eliminate substandard housing on a planned basis, recognizing priorities and available resources. This planned effort will achieve a balance between a sustained housing improvement effort in those places with larger needs while rotating funds to complete the effort in those areas with smaller needs.

The Housing program is divided into two components--the Housing Improvement Program (HIP) and Housing Development. Housing Development is the staff component of the Bureau's Housing program. There are no separate FTE's for these components.

1. Housing Development ($2,449,000): The Housing Development component consists of Bureau staff whose responsibilities are: (a) to implement, monitor, inspect and coordinate the HIP, especially with the IHS sanitary facilities construction program; and (b) to a lesser extent, to assist Indian tribes in working with other Federal agencies--Housing and Urban Development (HUD) and the Farmer's Home Administration (FmHA)--involved in producing Indian housing. This assistance is provided in accordance with an Interdepartmental Agreement among HUD, IHS, and the Bureau, which lists Bureau responsibilities.

The Housing Development staff will carry out the new HIP directions, which consist of two main elements: (1) distribution of HIP funds on the basis of tribal inventory of housing needs and (2) establishment of a more cost-effective program. The implementation of a more cost-effective program will be accomplished by adequate monitoring and inspection, and carrying out the BIA housing administration and technical assistance functions. Thus, a new housing staffing pattern has been put in place. The restructured staffing pattern places heavier emphasis on personnel knowledgeable in standard construction practices, including engineering assessments, and includes much greater emphasis on construction management experience, construction progress scheduling, cost accounting, architectural and engineering technical experience, and housing program development experience.

2. Housing Improvement Program ($13,723,000): The Housing Improvement Program (HIP) is the major component of the Bureau's housing program. In FY 1987, it will provide for repairs, renovations, or additions to existing homes. Two types of repair categories are in use: (a) repairs to houses that will remain substandard but will need repairs for the health and/or safety of the occupants; and (b) repairs to bring housing to standard condition. The renovation effort, which is an important element in reducing the total cost of achieving the goal of eliminating substandard Indian housing, benefits Indian families by providing decent, safe, and sanitary shelter, thus reducing the health and social costs created by an unsafe and unsanitary environment. In addition, it generates employment and business activities.

Whenever possible, HIP funding is combined with funding from other programs in order to stretch the housing dollar and to provide as much housing as possible. Under this arrangement, HIP generally provides the construction material while other programs, except for the IHS programs, furnish the necessary labor. During FY 1985, $7,775,400 was contributed to the HIP in the form of labor and materials.

The following chart shows the number of housing units constructed and repaired:

NEW HOMES AND REPAIRS CONSTRUCTED
FY 1963 through FY 1984

HUD ownership	34,170
HUD rental	23,008
Housing improvement, new homes	10,446
Flood rehabilitation	397
Built with judgment funds	805
Built with credit loans	2,975
Other	8,147
Total, New Homes	79,948
Housing improvement, repairs	64,726

The following is a breakdown of FY 1984 and FY 1985 contributions to HIP by other sources:

Source	FY 1984	FY 1985
Indian Health Service	$4,701,600	$5,121,200
Tribal appropriated funding	595,100	637,400
Individual (includes materials and labor costs)	306,400	304,300
Other Bureau programs (IAT, TWEP, etc.)	149,000	---
Department of Labor programs (Mainstream, CETA, etc.)	383,600	519,900 1/
Department of HHS (excludes IHS)	105,900	79,500
Other (HUD, CDBG, FmHA, DOE, etc.)	1,875,300	1,113,100
Total, other programs	$8,116,900	$7,775,400

1/ Department of Labor Mainstream and CETA programs have been replaced by JPTA (Jobs Partnership Training Act). Some of the trainees in the JPTA Programs are working on HIP projects.

In FY 1985, the program was approximately 79% contracted, with the value of contracts amounting to $15,468,000 out of the HIP funds of $19,580,000.

Program Accomplishments: During FY 1985, the Bureau provided financing for 347 new housing units and for the repair and renovation of 2,487 existing units. FY 1986 program accomplishments are estimated to be approximately 322 new units and 2,565 repairs. The number of new units and repairs that the Bureau provided in FY 1985 and an estimate of those to be provided in FY 1986 and FY 1987 are as follows:

	Actual FY 1985	Est. FY 1986	Est. FY 1987
New	347	322	-0-
Repairs	2,487	2,565	2,734

The cost factors derived for FY 1986 HIP operations and for the FY 1987 proposed level are as follows:

	Fiscal Year	Estimated Average Cost	No. of Units	Total Cost a/
Repairs to standard	1986	$ 8,000	1,160	$ 9,277,125
	1987	8,000	1,329	10,630,625
Non-standard repairs	1986	2,200	1,405	3,092,375
	1987	2,200	1,405	3,092,375
New construction	1986	$36,000	167	5,994,450
	1987	36,000	-0-	-0-
Down payments	1986	4,300	155	666,050
	1987	4,300	-0-	-0-

a/ Detail may not compute exactly due to rounding of the average cost factors.

Workload Data: The last column below shows FY 1987 workload based on the proposed funding level:

	Actual FY 1982	Actual FY 1983	Actual FY 1984	Actual FY 1985	Estimate FY 1986	Estimate FY 1987
New house starts (HIP)	524	581	637	347	322	-0-
Repairs	3,667	3,881	4,058	2,487	2,565	2,734

3. Housing Training ($123,000): No FTE's are involved in the operation of the housing training. The Bureau will continue to offer the HIP management and HIP reporting system training to tribal HIP Coordinators and Bureau staff involved in the implementation of the Housing Improvement Program.

4. Navajo/Hopi Housing Construction ($0): Funds in the amount of $21,870,000 were appropriated for the Navajo/Hopi Housing Construction program in FY 1986. These funds will allow the Bureau to construct approximately 300 houses for Navajos residing or previously residing on Hopi partitioned lands. To carry out this work, the Assistant Secretary - Indian Affairs has appointed a Housing Specialist, who will assist him in working with the Navajo and Hopi Relocation Commission in planning how this work can be accomplished in the most expeditious way possible to best meet the needs of the relocatees. The Assistant Secretary also intends to involve the relocatees in the decision-making process.

Decreases for FY 1987:

1. Housing Development ($-150,000; -3 FTE): The proposed decrease of $150,000 reflects a reduction of three positions for Alaska, including salaries and travel for those positions.

2. Housing Improvement Program ($-6,161,000): The proposed decrease of $6,161,000 reflects a policy determination to hold construction programs to a minimum. Thus, consistent with this policy, the FY 1987 HIP activities will be at a reduced level, with new construction to be deferred in favor of continued rehabilitation and repair.

The $6,161,000 decrease includes a $647,000 reduction for Alaska. The Alaska decrease is proposed in conjunction with a reduced BIA role in providing services to Alaska Natives. The general improvement of the State's economy has had a positive impact on the Alaska Native socioeconomic status.

2. Navajo-Hopi Construction ($-21,870,000): No funds are requested for this construction in FY 1987. It is expected that the construction of the housing and related infrastructure work for which funds were appropriated in FY 1986 will continue into FY 1987.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
CONSTRUCTION

Programming and Financing (in thousands of dollars)

Identification Code: 14-2301-0-1-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Direct Program:			
1. Buildings and utilities...........	50,150	44,990	32,750
2. Irrigation systems................	43,660	30,346	22,100
3. Housing...........................	20,892	37,884	21,600
4. Land acquisition..................	2,332	3,615	---
Total direct program	117,034	116,835	76,450
Reimbursable Program:			
1. Buildings and utilities...........	---	500	500
2. Irrigation systems................	617	1,500	1,500
Total reimbursable program........	617	2,000	2,000
10.00 Total obligations..............	117,651	118,835	78,450
Financing:			
11.00 Offsetting collections from: Federal funds................	-617	-2,000	-2,000
21.40 Unobligated balance available, start of year................	-63,383	-41,691	-30,204
24.40 Unobligated balance available, end of year..................	41,691	30,204	12,909
25.00 Unobligated balance restored...	12,850	---	---
39.00 Budget Authority...............	108,192	105,348	59,155
Budget Authority:			
40.00 Appropriation..................	107,492	101,054	59,155
40.00 Reduction pursuant to P.L.99-190	---	-606	---
41.00 Transfer to other accounts	-25,000	---	---
42.00 Transfer in....................	12,850	---	---
43.00 Appropriation (adjusted)	95,342	100,448	59,155
50.00 Reappropriation................	12,850	---	---
62.00 Transferred from other accounts	---	4,900	---
63.00 Appropriation (adjusted).......	---	4,900	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	117,034	116,835	76,450
72.40 Obligated balance, start of year	104,847	103,532	107,367
74.40 Obligated balance, end of year..	-103,532	-107,367	-85,817
90.00 Outlays........................	118,349	113,000	98,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
CONSTRUCTION
Object Classification (in thousands of dollars)

Identification Code: 14-2301-0-1-452	1985 Actual	1986 Estimate	1987 Estimate
BUREAU OF INDIAN AFFAIRS			
Direct Obligations:			
Personnel compensation:			
11.1 Full-time permanent.............	3,025	3,138	3,081
11.3 Other than full-time permanent..	911	958	935
11.5 Other personnel compensation....	107	72	71
11.9 Total personnel compensation....	4,043	4,168	4,087
Personnel benefits:			
12.1 Civilian........................	468	482	473
21.0 Travel and transportation of persons.......................	384	390	395
22.0 Transportation of things.........	70	100	100
23.2 Communication, utilities & other rent....................	---	150	150
24.0 Printing and reproduction.......	22	25	25
25.0 Other services..................	38,064	31,708	25,982
26.0 Supplies and materials..........	4,072	5,000	4,000
31.0 Equipment.......................	2,340	2,500	1,000
32.0 Lands and structures............	42,672	45,000	20,000
41.0 Grants, subsidies & contributions	21,732	22,000	20,000
99.0 Subtotal, direct obligations	113,867	111,523	76,212
Reimbursable Obligations:			
25.0 Other Services..................	617	2,000	2,000
ALLOCATION TO BUREAU OF RECLAMATION			
Direct Obligations:			
Personnel compensation:			
11.1 Full-time permanent.............	700	398	114
11.3 Other than full-time permanent..	14	10	---
11.5 Other personnel compensation....	28	19	8
11.9 Total personnel compensation	742	427	122
Personnel benefits:			
12.1 Civilian........................	112	67	19
21.0 Travel and transportation of persons.......................	32	27	5
22.0 Transportation of things.........	157	17	---
23.1 Standard level user charges.....	110	82	15
23.2 Communications, utilities & other rent	119	140	5
24.0 Printing and reproduction.......	24	27	9
25.0 Other services..................	1,186	1,706	53
26.0 Supplies and materials..........	462	50	5
31.0 Equipment.......................	223	20	5
32.0 Lands and structures............	---	2,749	---
99.0 Subtotal, direct obligations, allocation account...........	3,167	5,312	238
Reimbursable Obligations:			
99.91 Total obligations...............	117,651	118,835	78,450

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
CONSTRUCTION

Personnel Summary (in thousands of dollars)

Identification Code: 14-2301-0-1-452	1985 Actual	1986 Estimate	1987 Estimate
BUREAU OF INDIAN AFFAIRS			
Direct:			
Total no. of full-time permanent positions...............	107	111	109
Total compensable workyears:			
Full-time equivalent employment..	146	152	149
Full-time equiv. overtime and holiday hrs......................	4	5	5
ALLOCATION TO BUREAU OF RECLAMATION			
Total no. of full-time permanent positions.................	32	15	---
Total compensable work years:			
Full-time equivalent employment....	30	14	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
CONSTRUCTION
P.L. 99-177 Sequestration

Programming and Financing (in thousands of dollars)

Identification Code: 14-2301-0-1-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations...............	---	-4,530	---
Financing:			
40.00 Budget Authority................	---	-4,530	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	---	-4,530	---
72.40 Obligated balance, start of year	---	---	-3,489
74.40 Obligated balance, end of year..	---	3,489	2,356
90.00 Outlays.........................	---	-1,041	-1,133

Object Classification

Direct Obligations:			
92.0 Undistributed....................	---	-4,530	---
99.0 Subtotal, direct obligations	---	-4,530	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
ROAD CONSTRUCTION

Not to exceed 5 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs[: Provided, That $3,200,000 of the contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund for road construction to serve the Navajo Reservation shall be used by the Secretary of the Interior for road construction projects to serve land transferred or acquired under the Act of December 22, 1974, as amended (88 Stat. 1712; 25 U.S.C. 640d et. seq.): Provided further, That the foregoing shall not alter the amount of funds or contract authority that would otherwise be available for road construction to serve any Indian reservation or land other than the Navajo reservation].

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Language Changes

1. Deletion: "Provided, That $3,200,000 of the contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund for road construction to serve the Navajo Reservation shall be used by the Secretary of the Interior for road construction projects to serve land transferred or acquired under the Act of December 22, 1974, as amended (88 Stat. 1712; 25 U.S.C. 640d et. seq.): Provided further, That the foregoing shall not alter the amount of funds or contract authority that would otherwise be available for road construction to serve any Indian reservation or land other than the Navajo reservation."

The language pertains specifically to contract authority provided in Fiscal Year 1986. Therefore, the language in no longer necessary.

Appropriation Language and Citations

Not to exceed 5 per centum of contract authority available to the Bureau of Indian Affairs from the Federal Highway Trust Fund may be used to cover roads program management costs and construction supervision costs of the Bureau of Indian Affairs.

25 U.S.C. 13, 318a
23 U.S.C 203

25 U.S.C. 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services, including road construction, to federally recognized Indians. 25 U.S.C. 318a authorizes "material, equipment, supervision and engineering ... in survey, improvement, construction ... of Indian reservation roads...." 23 U.S.C. 203 provides that "Funds authorized for ... Indian reservation roads shall be available for contract upon apportionment ...."

The Federal Aid Highway Act, of various years, has authorized funds to be appropriated for Indian reservation roads and bridges.

DEPARTMENT OF THE INTERIOR

BUREAU OF INDIAN AFFAIRS

Status of and Request for Budgetary Resources

Account: ROAD CONSTRUCTION

FY 1986 Budgetary Status

Appropriation realized	$ ---
Prior year unobligated balance brought forward	10,911,000
Estimated collections during fiscal year	6,300,000
Total, Available for Obligation	$17,211,000
Less anticipated obligations	-10,331,000

FY 1987 Request

Anticipated unobligated balance brought forward	$ 6,880,000
Plus increases proposed:	
New Budget Authority	---
Estimated collections during fiscal year	6,300,000
Total available for obligation	$ 13,180,000

Justification for Road Construction

Account: Road Construction
Activity: Road Construction

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) Dec. (-) From Enacted
		(Dollar amounts in thousands)			
Program Total:	$	---	---	---	---
Equipment Pool Operations (Reimbursement)	(FTE)	(33)	(---)	(33)	(---)
Allocation From FHWA	(FTE)	(682)	(---)	(682)	(---)

Authorization: P.L. 97-424, the Surface Transportation Assistance Act (STAA) of 1982, provides for funds available for Indian reservation roads to be used by the Secretary of the Interior (23 U.S.C. 204).

Objective: To provide roads on Indian reservations for safe and convenient transportation of people and goods.

Program Justification: Project Funds (subject to Congressional reauthorization of the Federal Aid Highway Act in Fiscal Years 1987 through 1990) are included in contract authority from the Highway Trust Fund of the Federal Lands Highway Program, Department of Transportation, and are not included in the Bureau's budget. The Bureau will finance all costs of the Indian Road Construction program through this contract authority. These include funds for Central Office program management and for program supervision by the area/agency offices, not to exceed 5% of the total contract authority allocation.

In addition to awarding road construction contracts to private contractors, the Bureau operates a road construction equipment pool to undertake projects in isolated or high-cost areas where such a "force account" operation is more economical than private contracting. The equipment pool is financed by a revolving fund which collects equipment rentals charged to projects funded from the Highway Trust Fund. Federal cost principles currently permit the Bureau to establish equipment rental rates based on actual direct and indirect operating costs and an allowance for depreciation. Charging rentals at rates based on these cost principles generates sufficient revenues to permit replacement of existing equipment. Current estimated rentals are $10,000,000 annually.

Thirty-three (33) FTE are financed in this account for the field equipment pool operations. All other program FTE (682) are expected to be available from the FHWA allocation account to carry out work under the funding provided by FHWA.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
ROAD CONSTRUCTION

Program and Financing (in thousands of dollars)

Indentification Code: 14X2364-01-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Direct program	1,900	5,000	---
Reimbursable program	2,762	5,331	6,300
10.00 Total obligations	4,662	10,331	6,300
Financing:			
Offsetting collections from:			
11.00 Federal sources	-4,089	-5,300	-5,300
14.00 Non-federal sources	-700	-1,000	-1,000
21.40 Unobligated balance available, start of year	-4,904	-10,911	-6,880
24.40 Unobligated balance available, end of year	10,911	6,880	6,880
39.00 Budget authority	5,880	---	---
Budget authority:			
40.00 Appropriation	6,000	---	---
40.00 Reduction pursuant to Public Law 98-473	-120	---	---
43.00 Appropriation (adjusted)	5,880	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net	-127	4,031	---
72.40 Obligated balance, start of year	8,979	5,177	10,708
74.40 Obligated balance, end of year	-5,177	-10,708	-10,708
90.00 Outlays	3,676 a/	-1,500	---

a/ Does not add due to rounding.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
ROAD CONSTRUCTION

Object Classification (in thousands of dollars)

Identification Code: 14-2364-01-542	1985 Actual	1986 Estimate	1987 Estimate
Direct Obligations:			
Personnel compensation:			
11.1 Full-time permanent..............	278	50	---
11.3 Other than full-time permanent	7	8	---
11.5 Other personnel compensation.....	10	12	---
11.9 Total personnel compensation.....	295	70	---
12.1 Personnel benefits: civilian....	---	36	---
22.0 Transportation of things.........	71	20	---
24.0 Printing and reproduction........	---	10	---
25.0 Other services...................	1,263	2,350	---
26.0 Supplies and materials...........	---	50	---
32.0 Lands and structures.............	271	2,464	---
99.0 Subtotal, direct obligations...	1,900	5,000	---
99.0 Subtotal, reimbursable oblig...	2,762	5,331	6,300
99.9 Total obligations................	4,662	10,331	6,300

PERSONNEL SUMMARY

Total number of full-time permanent positions...............	31	26	26
Total compensable work years:			
Full-time equivalent employment.....	39	33	33
Full-time equivalent of overtime and holiday hours.................	1	1	1

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
ROAD CONSTRUCTION
P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Indentification Code: 14X2364-01-452		1985 Actual	1986 Estimate	1987 Estimate
Program by activities:				
10.00	Total obligations............	---	-43	---
Financing:				
25.00	Unobligated balance lapsing..	---	43	---
39.00	Budget authority.............	---	---	---
Relation of obligations to outlays:				
71.00	Obligations incurred, net....	---	-43	---
72.40	Obligated balance, start of year	---	---	---
74.40	Obligated balance, end of year	---	---	---
90.00	Outlays......................	---	-43	---

Object Classification

Direct Obligations:				
92.0	Undistributed....................	---	-43	---
99.9	Total obligations................	---	-43	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-2202-0-1-806

EASTERN INDIAN LAND CLAIMS SETTLEMENT FUND

Program and Performance

Rhode Island Indian Claims Settlement Fund. Payments were made to the fund as authorized by P.L. 95-395, September 30, 1978, for settlement of certain Indian land claims in the State of Rhode Island.

Program and Financing (in thousands of dollars)

Identification Code: 14-2202-0-1-806	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Rhode Island Indian claims settlement fund	---	---	---
10.00 Total obligations (obj class 32)	---	---	---
Financing:			
21.40 Unobligated balance available, start of year	-54	-54	-54
24.40 Unobligated balance available, end of year	54	54	54
40.00 Budget Authority	---	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net	---	---	---
90.00 Outlays	---	---	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PAYMENT TO ALASKA NATIVE ESCROW ACCOUNT

[For the Federal contribution to the Alaska Native Escrow Account related to proceeds received by Federal agencies from lands or resources of lands after the date of withdrawal of the land for Native selection as authorized by Public Law 94-204; an amendment to the Alaska Native Claims Settlement Act (43 U.S.C. 1631-1641; 89 Stat. 1476), and Public Law 96-487, the Alaska National Interest Lands Conservation Act (94 Stat. 2497), $7,877,000: *Provided*, That those funds appropriated hereunder which represent proceeds received from lands which have been conveyed on or before the date of enactment of this Act shall be distributed to the appropriate Native corporations pursuant to Public Law 96-487 immediately upon receipt in the escrow account: *Provided further*, That those funds which represent proceeds received from lands withdrawn for Native Selection but not yet conveyed on the date of the enactment of this Act will be held in the escrow account and invested until conveyance, and shall, during the time that such funds are on deposit in the escrow account, be entitled to their share of the interest earned by the escrow account pursuant to the first proviso of section 2(b) of Public Law 94-204.]

(Department of the Interior and Related Agencies Appropriation Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Language Changes

Deletion: "For the Federal contribution to the Alaska Native Escrow Account related to proceeds received by Federal agencies from lands or resources of lands after the date of withdrawal of the land for Native selection as authorized by Public Law 94-204; an amendment to the Alaska Native Claims Settlement Act (43 U.S.C. 1631-1641; 89 Stat. 1476), and Public Law 96-487, the Alaska National Interest Lands Conservation Act (94 Stat. 2497), $7,877,000: *Provided*, That those funds appropriated hereunder which represent proceeds received from lands which have been conveyed on or before the date of enactment of this Act shall be distributed to the appropriate Native corporations pursuant to Public Law 96-487 immediately upon receipt in the escrow account: *Provided further*, That those funds which represent proceeds received from lands withdrawn for Native Selection but not yet conveyed on the date of the enactment of this Act will be held in the escrow account and invested until conveyance, and shall, during the time that such funds are on deposit in the escrow account, be entitled to their share of the interest earned by the escrow account pursuant to the first proviso of section 2(b) of Public Law 94-204."

This language pertains specifically to one-time funding in FY 1986 and is therefore no longer required.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PAYMENT TO ALASKA NATIVE ESCROW ACCOUNT

Program and Financing (in thousands of dollars)

Identification Code: 14-2366-0-1-806	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations (O.C. 41.0)...	---	7,830	---
Financing:			
40.00 Budget Authority.	---	7,830	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	---	7,830	---
72.40 Obligated balance, start of year........................	---	---	---
74.40 Obligated balance, end of year	---	---	---
90.00 Outlays........................	---	7,830	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
PAYMENT TO ALASKA NATIVE ESCROW ACCOUNT
P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Identification Code: 14-2366-0-1-806	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations..............	---	-337	---
Financing:			
40.00 Budget Authority.	---	-337	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net....	---	-337	---
72.40 Obligated balance, start of year.......................	---	---	---
74.40 Obligated balance, end of year	---	---	---
90.00 Outlays......................	---	-337	---

Object Class

92.00 Undistributed................	---	-337	---
99.9 Total Obligations.............	---	-337	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-2624-0-7-452
UTAH PAIUTE TRUST FUND

Program and Performance

1. Economic Development Fund - Payments were made to the Utah Paiute Trust Fund pursuant to P.L. 98-219 which establishes an economic development fund, and in accordance with the provisions stated in P.L. 96-227, the "Paiute Indian Tribe of Utah Restoration Act."

2. Tribal Government Fund - Payments were made to the Utah Paiute Trust Fund pursuant to P.L. 98-219 which establishes a tribal government fund, and in accordance with the provisions stated in P.L. 96-227, the "Paiute Indian Tribe of Utah Restoration Act."

UTAH PAIUTE TRUST FUND

Program and Financing (in thousands of dollars)

Identification Code: 14-2624-0-7-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
1. Economic Development Fund	1,250	---	---
2. Tribal Government Fund	1,250	---	---
10.00 Total obligations (object class 41.0)	2,500	---	---
40.00 Budget Authority (appropriation)	2,500	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net	2,500	---	---
90.00 Outlays	2,500	---	---

ADMINISTRATIVE PROVISIONS

Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; and purchase of not to exceed 150 passenger carrying motor vehicles, of which 100 shall be for replacement only. Provided that not to exceed $25,063,000 shall be provided from funds appropriated to the Bureau of Indian Affairs for programs and activities in the State of Alaska.

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Language Change

Addition: "Provided that not to exceed $25,063,000 shall be provided from funds appropriated to the Bureau of Indian Affairs for programs and activities in the State of Alaska."

The Bureau is limiting its services in the State of Alaska. The economic status of Alaska Natives has improved since the passage of the Alaska Native Claims Settlement Act. That act withdrew over 40 million acres of lands for Alaska Natives, provided nearly $1 billion in funding, and established Native Corporations to manage these assets. These lands are not trust lands as are most reservations in the lower 48 states, only one reservation exists in Alaska. The Administration believes that Alaska Natives no longer require the levels of support that the Federal Government provided in the past. Moreover, the State has taken on greater responsibility for serving Alaska Natives by taking over BIA schools and the welfare assistance program.

(Note: This addition was not included in the Appendix to the President's Budget.)

Appropriation Language and Citations

1. Appropriations for the Bureau of Indian Affairs (except the revolving fund for loans and the Indian loan guarantee and insurance fund) shall be available for expenses of exhibits; and purchase of not to exceed... passenger carrying motor vehicles, of which... shall be for replacement only.

31 U.S.C. 638a(a)

31 U.S.C. 638a(a) provides "Unless specifically authorized by the appropriation concerned or other law no appropriation shall be expended to purchase or hire passenger motor vehicles for any branch of the Government..."

2. Provided that not to exceed $25,063,000 shall be provided from funds appropriated to the Bureau of Indian Affairs for programs and activities in the State of Alaska.

25 U.S.C. 13

25 U.S.C 13 (The Snyder Act of November 2, 1921) is the basic authority under which the Secretary provides services to federally recognized Indians.

JUSTIFICATION

Appropriation: Operation of Indian Programs

Activity: Education

Vehicles: School buses - various sizes, 15 for replacement.

Activity: Indian Services

Subactivity: Law Enforcement

Vehicles: Sedans fully equipped for police work, 35 new vehicles and 100 for replacement, at a cost of $9,000 per vehicle, required to carry out law enforcement throughout the Bureau.

Summary of Proposed Acquisition of Certain Types of Vehicles, FY 1987

Type	Total	New	Replacement
Police	135	35	100
School Buses	15	0	15
	150	35	115

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
FY 1987

Program Title: Miscellaneous Appropriations

Description:

1. Claims and Treaty Obligations - $2,000,000

   A. Fulfilling treaties with the Senecas of New York - $6,000. This money is to be paid in equal shares to members of the Seneca Nation as provided by the Act of February 19, 1831 (4 Stat. 442).

   B. Fulfilling treaties with the Six Nations of New York - $4,500. The Six Nations are comprised of the Senecas, Tonawanda Band of Senecas, Tuscarora, Onondaga, Oneida, and Cayuga Tribes. This money is allocated as follows: $2,700 to the New York Indians for the purchase of dress goods, and $1,800 distributed per capita to the Oneida Indians under the jurisdiction of the Great Lakes Agency, Wisconsin, as provided by the Act of November 11, 1794.

   C. Fulfilling treaties with the Pawnees of Oklahoma - $30,000. This money is distributed per capita to the Pawnees as provided by the treaty of September 24, 1857, Article 2.

   D. Payments to Indians of the Sioux Reservation - $1,959,500. This is an annual charge against the general fund of the Treasury, the amount being indefinite until individual applications for payments are made and approved. Sioux benefits were originally for articles of farming equipment and stock or, more commonly today, the commuted cash value of such articles. The approved commuted value of an individual share of Sioux benefits for FY 1986 is $4,129.57. The legal authority for these payments is found in the Act of March 2, 1889, section 17 (25 Stat. 894); Act of June 10, 1896 (29 Stat. 334); and the Act of June 21, 1906 (34 Stat. 326).

2. Operation and Maintenance, Indian Irrigation Systems - $20,000,000. Funds obtained from the collection of assessments against water users on various projects are deposited in the Treasury to the credit of the respective projects. Funds are used for such purposes as annual cleaning of canals and laterals to remove silt, moss, and weed growth; repair and replacement of water control structures; operation and maintenance of reservoirs, dams and pumping plants, including the purchase of electrical energy; payment to operators of non-Bureau irrigation systems that include and benefit Indian lands; repair of flood damage; etc. The various projects located on Indian reservations are thus maintained in good operating condition, permitting the facilities constructed by the government to be fully utilized by the Indian and non-Indian landowners within the project who depend upon proper operation and maintenance of the projects for irrigation farming and subsistence. As authorized by the FY 1984 Appropriation Act (P.L. 98-146, dated November 4, 1983), collections are invested in interest-bearing securities until required for project operations.

3. Power Systems, Indian Irrigation Projects - $32,000,000. Funds are obtained from earned revenue deposited in the Treasury and credited to the respective projects. Funds are used for the operation and maintenance of two hydro-power generating plants; a diesel power generating plant; transmission lines; distribution systems and pumping plants for project irrigation system; purchase of power for re-sale; and for all necessary expenses for operation of power systems on an actual cost basis. A project power system's primary purpose is to furnish electrical energy to the project for irrigation and drainage pumping and also to furnish energy to mining and milling properties, public utilities and domestic consumers on the project proper, in nearby towns and villages, and in outlying farming areas. The energy supplied by these projects (San Carlos, Colorado River, and Flathead Indian Reservations) in many instances is the only source of electrical energy available to the consumers. Approximately 500 million kilowatt-hours are transmitted over all projects. Annually, the distribution systems serve approximately 27,000 domestic, commercial, and irrigation consumers. As with irrigation collections, power collections and reserves are invested in interest-bearing securities until required for power system operations as authorized by the FY 1984 Appropriation Act (P.L. 98-146, dated November 4, 1983).

4. Lummi Diking Project. Revenues which have been collected for construction, operation, and maintenance, including interest and penalties, against each tract of land within the project which, as of September 17, 1965, were in a trust or restricted status are available to pay assessments made against each such tract (Act of September 17, 1965, Public Law 89-190, 79 Stat. 821). No activity is anticipated for this program in fiscal year 1987.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-9925-0-2-999
MISCELLANEOUS APPROPRIATIONS

Program and Performance

1. Claims and Treaty Obligations. Payments are made to fulfill treaty obligations with the Senecas of New York (Act of February 19, 1831), the Six Nations of New York (Act of November 11, 1794), and the Pawnees of Oklahoma (the Treaty of September 24, 1857); and benefit claims to the Sioux Indians (Acts of March 2, 1889; June 10, 1896; and June 21, 1906).

2. Operation and Maintenance, Indian Irrigation Systems. Revenues derived from charges for operation and maintenance of Indian irrigation projects are used to defray, in part, the cost of operating and maintaining these projects (60 Stat. 895). The Secretary of the Interior is authorized to invest the funds, derived from collections, in interest-bearing securities until required for project operations, pursuant to P.L. 98-146, dated November 4, 1983.

3. Power Systems, Indian Irrigation Projects. Revenues collected from the sale of electric power by the Colorado River, Flathead, and San Carlos power systems are used to operate and maintain these systems (60 Stat. 895; 65 Stat. 254). The Secretary of the Interior is authorized to invest the funds, derived from collections, in interest-bearing securities until required for power system operations, pursuant to P.L. 98-146, dated November 4, 1983.

4. Lummi Diking Project. Revenues which have been collected for construction, operation, and maintenance, including interest and penalties, against each tract of land within the project which, as of September 17, 1965, were in a trust or restricted status and are available to pay assessments made against each such tract. (Act of September 17, 1965, Public Law 89-190, 79 Stat. 821.)

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
MISCELLANEOUS APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification Code: 14-9925-0-2-999	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
1. Claims and Treaty Obligations...	1,069	2,000	2,000
2. Operation and Maintenance, Indian Irrigation Systems.....	14,733	16,300	20,000
3. Power Systems, Indian Irrigation Projects......................	23,493	24,500	30,000
4. Lummi Indian Diking Project.....	0	---	---
10.00 Total Obligations...............	39,295	42,800	52,000
Financing:			
21.00 Unobligated balance available, start of year..................	-17,488	-25,083	-31,211
24.00 Unobligated balance available, end of year.....................	25,083	31,211	33,211
25.00 Unobligated balance lapsing....	---	2,072	---
60.00 Budget authority appropriation (Permanent, indefinite)........	46,890	51,000	54,000
Relation of obligations to outlays:			
71.00 Obligations incurred, net......	39,295	42,800	52,000
72.40 Obligated balance, start of year..................	7,269	8,383	8,983
74.40 Obligated balance, end of year	-8,383	-8,983	-9,983
90.00 Outlays........................	38,181	42,200	51,000
Distribution of budget authority by account:			
1. Claims and Treaty Obligations...	928	2,000	2,000
2. Operation and Maintenance, Indian Irrigation Systems.....	17,178	19,000	20,000
3. Power Systems, Indian Irrigation Projects......................	28,784	30,000	32,000
Total..........................	46,890	51,000	54,000
Distribution of outlays by account:			
1. Claims and Treaty Obligations...	1,072	2,000	2,000
2. Operation and Maintenance, Indian Irrigation Systems.....	15,130	15,000	19,000
3. Power Systems, Indian Irrigation Projects........................	21,979	25,200	30,000
Total..........................	38,181	42,200	51,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
MISCELLANEOUS APPROPRIATIONS

Object Classification (in thousands of dollars)

Identification Code: 14-9925-0-2-999		1985 Actual	1986 Estimate	1987 Estimate
Direct Obligations:				
	Personnel Compensation:			
11.1	Full-time permanent............	9,350	10,238	12,438
11.3	Other than full-time positions.	559	556	676
11.5	Other personnel compensation...	280	334	406
11.9	Total personnel compensation.	10,189	11,128	13,520
	Personnel Benefits:			
12.1	Civilian........................	1,514	1,712	2,080
21.0	Travel & transportation of persons......................	76	76	76
22.0	Transportation of things.......	546	428	520
23.2	Communications, utilities, and other rent....................	9,512	10,272	12,480
2410	Printing and reproduction......	1	1	1
25.0	Other services..................	10,040	11,085	13,569
26.0	Supplies and materials.........	5,957	6,420	7,800
31.0	Equipment......................	346	346	346
32.0	Lands and structures...........	48	48	48
41.0	Grants, subsidies, and contributions................	1,066	1,284	1,560
99.9	Total obligations............	39,295	42,800	52,000

Personnel Summary

	1985 Actual	1986 Estimate	1987 Estimate
Total number of permanent positions..	451	450	450
Total compensable work years.........	472	469	469
Full-time equiv. of overtime and holiday hours.....................	14	14	14

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
MISCELLANEOUS APPROPRIATIONS

P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Identification Code: 14-9925-0-2-999	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
1. Claims and Treaty Obligations...		-86	
2. Operation and Maintenance, Indian Irrigation Systems.....		-843	
3. Power Systems, Indian Irrigation Projects......................		-1,264	
4. Lummi Indian Diking Project.....			
10.00 Total Obligations...............		-2,193	
Financing:			
21.40 Unobligated balance available, start of year..................			-2,107
24.40 Unobligated balance available, end of year....................		2,107	2,107
25.00 Unobligated balance lapsing...			
60.00 Budget authority appropriation (Permanent, indefinite)........		-86	
Relation of obligations to outlays:			
71.00 Obligations incurred, net......		-2,193	
72.40 Obligated balance, start of year..................			-738
74.40 Obligated balance, end of year		738	
90.00 Outlays........................		-1,455	-738

Object Classification

Direct Obligations:			
92.0 Undistributed.................		-2,193	
99.9 Total obligations............		-2,193	

Justification of Program and Performance

Activity: Operation and Maintenance of Quarters

(Dollar amounts in Thousands)

Program Elements		FY 1986 Estimate	FY 1986 Revised Estimate	FY 1987 Estimate	Inc. (+) Dec. (-) From 86
Operation and	$	8,000		9,000	+1,000
Maintenance of Quarters	(FTE)	(20)		(20)	(--)
Total	$	8,000	7,656	9,000	+1,000
Requirements	(FTE)	(20)		(20)	(--)

Gramm-Rudman-Hollings Impact

	FY 1986 Estimate	P.L.99-177 Reduction	FY 1986 Adjusted Estimate
Operation and Maintenance of Quarters	$8,000	$-344	$7,656

As a result of the P.L. 99-177 reduction, $344,000 will be sequestered under the Operation and Maintenance of Quarters account. This will result in projects being deferred to subsequent fiscal years.

Authorizations: Public Law 88-459 (Federal Employees Quarters and Facilities Act of 1964) is the basic authority under which the Secretary utilizes quarters rental funds to defer the costs of operation and maintenance incidental to the employee quarters program. P.L. 988-473 established a special fund, to remain available until expended, for the operation and maintenance of quarters.

Objectives: The Bureau's Operation and Maintenance of Quarters Program objectives are to:

1. Reduce quarters operation and maintenance needs, with emphasis on critical life safety needs as they arise;
2. Repair or refurnish quarters and appurtenant structures, such as streets and associated utilities within the boundaries of a quarters site, through alternative consideration of the quarters program (e.g., major repair, renovation, and improvements);
3. Provide operation cost of quarters while vacant; and
4. Consolidate underutilized quarters to maximize use of existing facilities and to defer some of the continuing costs of repair, operation, and maintenance. Further planning studies are to be undertaken to continue progress toward meeting the Bureau's goal of reducing its quarters stock.

Description: The Operation and Maintenance of Quarters Program is funded through collections from quarters rental. Public Law 98-473 provided that "... after September 30, 1984, rents and charges collected by payroll deduction or otherwise for the use or occupancy of quarters of agencies funded by this Act shall thereafter be deposited in a special fund in each agency, to remain available until expended, for the maintenance and operation of the quarters of that agency...."

This Act further stipluated that beginning in FY 1985 and thereafter, the amounts collected were to be expended in the agency unit or subunit where the funds were collected, and that up to 10 percent of the funds collected could be tranferred to another unit within the same agency. An agency or subunit was defined as park, refuge, hatchery, forest, agency office, school, service unit, hospital, or clinic. In prior years, these funds were available for uses other than the operation and maintenance of quarters, and any obligated balances remaining at the fiscal year's end were returned to the Treasury.

Positive control of this Bureau program, instituted in FY 1982 and continued through FY 1986, has totaled approximately $32,000,000. Rental receipts for FY 1987, anticipated at approximately $9,000,000, will continue to be expended for quarters operation and maintenance. Categories of work include general repair, repair of quarters buildings, and code and regulatory efforts (providing for handicapped use and accessibility, improvement of energy efficiency, and correction of immediate life safety discrepancies). Site improvements, including utility repair and replacement, street and general access repair, along with the purchase of much needed repair and sanitation equipment, will be provided.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION AND MAINTENANCE OF QUARTERS

Program and Financing (in thousands of dollars)

Identification Code: 14-5051-6-2-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total Obligations...............	3,666	9,000	9,500
Financing:			
21.40 Unobligated balance available, start of year...................	---	-4,032	-3,032
24.40 Unobligated balance available, end of year.....................	4,032	3,032	2,532
60.00 Budget authority	7,698	8,000	9,000
Relation of obligations to outlays:			
71.00 Obligations incurred, net......	3,666	9,000	9,500
72.40 Obligated balance, start of year...................	---	1,259	3,259
74.40 Obligated balance, end of year	-1,259	-3,259	-3,759
90.00 Outlays.........................	2,407	7,000	9,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION & MAINTENANCE OF QUARTERS

Object Classification (in thousands of dollars)

Identification Code: 14-5051-6-2-452	1985 Actual	1986 Estimate	1987 Estimate
Direct Obligations:			
Personnel Compensation:			
11.1 Full-time permanent............	392	392	392
11.3 Other than full-time positions.	38	38	38
11.5 Other personnel compensation...	14	14	14
11.9 Total personnel compensation.	444	444	444
Personnel Benefits:			
12.1 Civilian.......................	58	58	58
21.0 Travel & transportation of persons......................	11	33	33
22.0 Transportation of things.......	29	87	87
23.3 Communications, utilities, and other rent..................	224	578	611
25.0 Other services.................	903	2,394	2,531
26.0 Supplies and materials.........	650	1,734	1,832
31.0 Equipment......................	63	189	189
32.0 Lands and structures...........	1,277	3,462	3,694
42.0 Insurance claims and indem.....	7	21	21
99.9 Total obligations...........	3,666	9,000	9,500

Personnel Summary

Total number of permanent positions..	18	18	18
Total compensable work years.........	20	20	20
Full-time equiv. of overtime and holiday hours.....................	1	1	1

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
OPERATION AND MAINTENANCE OF QUARTERS
P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Identification Code: 14-5051-6-2-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total Obligations..............	---	-344	---
Financing:			
21.40 Unobligated balance available, start of year..................	---	---	-344
24.40 Unobligated balance available, end of year....................	---	344	344
60.00 Budget authority	---	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net......	---	-344	---
72.40 Obligated balance, start of year..................	---	---	-271
74.40 Obligated balance, end of year	---	271	
90.00 Outlays........................	---	-71	-271

Object Classification

Direct Obligations:			
92.0 Undistributed.................	---	-344	---
99.9 Total obligations...........	---	-344	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

During Fiscal Year [1986] 1987, and within the resources and authority available, gross obligations for the principal amount of direct loans pursuant to the Indian Financing Act of 1974 (88 Stat. 77; 25 U.S.C. 1451 et seq.), shall not exceed [$16,300,000] $16,320,000. [:Provided, That notwithstanding section 102 of the Indian Financing Act of 1974, as amended (25 U.S.C. 1462) and regulations restricting the purposes for loans under the Act, the Secretary may make a loan under title I of that Act to the Zuni Pueblo for the acquisition in trust for the Pueblo of private lands in the area known as Zuni Heaven in an amount not to exceed $1,470,000.]

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Appropriation Language and Citations

This language is an administrative limitation required by OMB Circular A-11, 31.5, and is not required by law.

Authorization: The Bureau's revolving loan fund was authorized by the Indian Reorganization Act of 1934 (25 U.S.C. 470). It has been amended and expanded several times adding new programs and authorizing additional funds.

25 U.S.C. 470: Authorized $20,000,000 to be established as a revolving fund to make loans to Indian chartered corporations for the purpose of promoting the economic development of such tribes and their members. Repayments of amounts loaned under this authorization shall be credited to the revolving fund and shall be available for further loans.

25 U.S.C. 470a: Interest or other charges shall be credited to the revolving loan fund and should be available for making loans to individual Indians and associations or corporate groups of Indians in Oklahoma.

25 U.S.C. 471: Authorized to be appropriated funds not to exceed $250,000 annually for loans to Indians for payment of tuition and expenses in recognized vocational and trade schools.

25 U.S.C. 631-634: Established a revolving loan fund for the Navajo and Hopi Indians.

25 U.S.C. 70n-1: Authorized to be appropriated the sum of $1,800,000 for the establishment of a revolving fund from which the Secretary of the Interior may make loans to Indian tribes and bands and to other identifiable groups of American Indians for use in obtaining expert assistance for the preparation and trial of claims pending before the Indian Claims Commission. All claims were transferred to the Court of Claims in 1978 when the Indian Claims Commission terminated.

25 U.S.C. 1461-1469: Authorized an additional $50,000,000 of which $41,000,000 has been appropriated. Administered as a single Indian Revolving Loan Fund made from diverse sources; availability of funds for loans to Indians and for administrative expenses.

REVOLVING FUND FOR LOANS
Program and Performance

This fund, established by the Indian Financing Act of 1974, provides a source of financing for Indians who cannot borrow from other Government credit agencies or from ordinary commercial lenders because of their low economic status, isolated geographic location, lack of bankable security or other reasons. Loans are made to tribes and other Indian organizations for relending to individual members and groups of members, and to finance tribal business enterprise. Loans are also made to tribes for use by them in obtaining expert assistance to prepare and argue claims pending before the Court of Claims. Direct loans are made for any purpose that will promote the economic development of the borrower including loans for education purposes.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

	FY 1985 Available	FY 1986 Available	FY 1987 Requested	FY 1987 Compared With FY 1986
Revolving Fund for Loans	-0-	-0-	-0-	-0-

Revolving Fund for Loans: FY 1986: -0-; FY 1987: -0-, 0 FTE.

Proposal: No new funds are requested in fiscal year 1987. It is anticipated that the FY 1987 loan program will amount to $16.3 million, which will be funded by collections into the fund during the year and carry-over funds.

Loan activity continues at an increased level, with more requests received than can be funded. Since loans can only be made as collections are received, there is currently a waiting list for funds. The decline in interest rates has encouraged tribes and individuals to expand present operations and to start new businesses. This trend should continue as long as the economy improves and will be spurred on by the Indian Financing Act Amendments of 1984, which broadened the eligibility criteria for individuals. Larger loans are being requested. The Bureau is experiencing increased demands from cattle operators who have previously been financed primarily by the Farmers Home Administration and by the Production Credit Associations.

Program Description: The Indian Revolving Loan Fund was established as three separate funds by the Indian Reorganization Act and other related acts, with periodic appropriations of $26.5 million over a period of years. Of this amount, $4.1 million was used for administrative purposes before 1962, leaving $22.4 million available for lending purposes. The Indian Financing Act of 1974 (P.L. 93-262) combined these funds into one fund and authorized an additional appropriation of $50 million for the fund, bringing to $76.5 million the total authorization of the fund. From 1975 to 1985, $115.6 million has been loaned from the fund. A total of 77 new tribal enterprises were started at an average cost of $444,243. A breakdown by area and purpose is included in Table I. The FY 1987 program will provide $16.3 million in direct loans to Indian tribes and organizations, individual Indians, and Alaska Natives for economic development purposes, and loans to tribes for relending to tribal members through their credit programs. In addition, the program will include funding for loans for expert assistance to tribes in the preparation and litigation of claims pending before the Court of Claims.

Over the history of the program, $197.7 million has been loaned with $7.8 million of the principal written off, about 4.0 percent of total loans. A $5 million loan was transferred from another fund. Interest in the amount of $48.6 million has been earned in this program. As of September 30, 1985, outstanding loans totaled $105.3 million. Delinquent payments total $11.4 million, or about 11% of loans outstanding. This includes $3.6 million of loans made to Southeast Alaska Native communities for the fishing industry which are currently being considered for cancellation.

SUMMARY OF ACTIVITY - REVOLVING FUND FOR LOANS
BUREAU OF INDIAN AFFAIRS
Through September 30, 1985

		Collections		Loans	
	Loaned	Principal	Interest	Cancelled	Outstanding
Through September 30, 1984	$179,987,714	$79,742,462	$42,488,891	$7,590,098	$92,655,154
FY 1985	17,720,554	4,864,239	6,078,547	234,110	
Through September 30, 1985	197,708,268	84,606,701	48,567,438	7,824,208	105,277,359
Cumulative					

Comparison of Fund Balances
FY 1984 and FY 1985

	General Fund	Expert Assistance	Total
Through September 30, 1984	11,730,973	1,731,269	13,462,242
Through September 30, 1985	4,610,636	2,008,026	6,618,662

TABLE I

REVOLVING FUND FOR LOANS
Funds Allotted to Areas by Purpose
Selected data for FY 1975-1985
(in thousands of dollars)

AREA	RELENDING	TRIBAL ENTERPRISES New	TRIBAL ENTERPRISES Existing	LAND	COOPERATIVES & INDUSTRIAL	CREDIT ASSOCI-ATIONS	DIRECT TO INDIVIDUALS	TOTAL
Aberdeen	$6,192.0	$5,724.9	$7,120.1	$1,445.0			$4,605.0	$ 25,087.0
Albuquerque	900.0	3,724.8	4,421.0				2,987.2	12,033.0
Anadarko		1,150.7	467.6	840.7			647.4	3,106.4
Billings	4,415.0	300.0	1,530.0	3,268.0			1,001.2	10,514.2
Eastern	810.0	775.0					950.2	2,535.2
Juneau	1,215.0	5,071.0	1,603.0		$1,590.0	$300.0		9,779.0
Minneapolis	1,000.0	3,418.3	2,307.2	1,125.0			1,036.1	8,886.6
Muskogee		1,175.0	429.9			2,710.0	1,316.3	5,631.2
Navajo		2,700.0	946.4					3,646.4
Phoenix	1,500.0	4,318.0	5,445.0	190.0		500.0	555.4	12,508.4
Portland	1,425.0	5,622.0	5,399.6	4,898.7	13.6**		2,915.8	20,274.7
Sacramento		227.0					1,336.0	1,563.0
TOTALS	$17,457.0	$34,206.7*	$29,669.8	$11,767.4	$1,603.6	$3,510.0	$17,350.6	$115,565.1

*77 new tribal enterprises were started at an average cost of $444,243.

**$13,600 for industries at Portland.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

Program and Financing (in thousands of dollars)

Identification Code: 14-4409-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities			
10.00 Total obligations (obj. class 33.0)	18,439	16,300	16,320
Financing:			
14.00 Offsetting collections from Non-Federal sources:			
Collections on loans..........	-4,869	-5,500	-6,500
Revenues......................	-6,143	-7,000	-8,917
21.98 Unobligated balance available, start of year: Fund balance....	-12,130	-4,703	-903
24.98 Unobligated balance available, end of year: Fund balance......	4,703	903	---
39.00 Budget Authority................	---	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	7,428	3,800	903
72.98 Obligated balance, start of year: Fund balance.............	1,332	1,916	---
74.98 Obligated balance, end of year: Fund balance.............	-1,916	---	---
90.00 Outlays	6,844	5,716	903

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

STATUS OF DIRECT LOANS (in thousands of dollars)

Identification Code: 14-4409-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Position with respect to limitation on obligations:			
1111 Limitation on direct loans to the public	18,600	16,300	16,320
1112 Unused balance of limitation expiring	-162	---	---
1150 Total direct loan obligations	18,438	16,300	16,320
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year	92,693	105,445	113,161
1231 New loans: Disbursements for direct loans	17,854	18,216	16,320
1251 Repayments: Repayments and prepayments	-4,868	-5,500	-6,500
1262 Adjustments: Write-offs for default	-234	-5,000	-3,000
1290 Outstanding, end of year	105,445	113,161	119,981

Revenue and Expense (in thousands of dollars)

Loan Program:			
Revenue	6,143	7,000	8,917
Expense	---	-5,000	-3,000
Net operating income, total	6,143	2,000	5,917

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Identification Code: 14-4409-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities			
10.00 Total obligations (obj. class 33.0)	---	-701	---
Financing:			
21.98 Unobligated balance available, start of year: Fund balance....	---	---	-701
24.98 Unobligated balance available, end of year: Fund balance......	---	701	701
39.00 Budget Authority................	---	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	---	-701	---
90.00 Outlays	---	-701	---

STATUS OF DIRECT LOANS

Position with respect to limitation on obligations:			
1111 Limitation on direct loans to the public...................	---	-701	---
1150 Total direct loan obligations..	---	-701	---
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year.....	---	---	-701
1231 New loans: Disbursements for direct loans..................	---	-701	---
1290 Outstanding, end of year.......	---	-701	-701

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
REVOLVING FUND FOR LOANS

FINANCIAL CONDITION (in thousands of dollars)

Assets:	FY 1984 Actual	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
Fund balance with Treasury..........	13,462	6,619	1,604	701
Loans receivable, net...............	84,136	97,122	104,137	110,957
Total assets......................	97,598	103,741	105,741	111,658
Liabilities:				
Selected liabilities, accounts payable	1,332	1,916	---	---
Government equity:				
Selected equity Unexpended budget authority:				
Unobligated balance.............	12,130	4,703	1,604	701
Invested capital................	84,136	97,122	104,137	110,957
Total Government equity..........	96,266	101,825	105,741	111,658
Analysis of Changes in Government Equity:				
Paid in capital:				
Opening balance....................		75,282	75,282	75,282
Closing balance....................		75,282	75,282	75,282
Retained income:				
Opening balance....................		22,316	28,459	30,459
Transactions: Net operating income		6,143	2,000	5,917
Closing balance....................		28,459	30,459	36,376
Total Government equity end of year..		103,741	105,741	111,658

This table includes the effects of P.L. 99-177.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-4320-0-3-452

Liquidation of Hoonah Housing Project Revolving Fund

Program and Performance

This fund was transferred from the Housing and Home Finance Agency to the Secretary of the Interior under the provisions of Public Law 85-806. The Secretary uses the funds transferred from the Housing and Home Finance Agency, along with any other revenues that may be received from the Hoonah Housing Project, for the purpose of liquidating this Project in accordance with the provisions of the Law.

LIQUIDATION OF HOONAH HOUSING PROJECT REVOLVING FUND

Program and Financing (in thousands of dollars)

Identification Code: 14-4320-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total Obligations (Object Class 42.0).............	10	15	---
Financing:			
21.98 Unobligated balance available,.. start of year: Fund balance.....	-25	-15	---
24.98 Unobligated balance available,.. end of year: Fund balance.......	15	---	---
39.00 Budget authority................	---	---	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net.......	10	15	---
72.40 Obligated balance, start of year	---	---	---
72.40 Obligated balance, end of year..	-10	---	---
90.00 Outlays.........................	---	15	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-4410-0-3-452

INDIAN LOAN GUARANTY AND INSURANCE FUND

For payment of interest subsidies on new and outstanding guaranteed loans and for necessary expenses of management and technical assitance in carrying out the provisions of the Indian Financing Act of 1974 as amended (88 Stat. 77; 25 U.S.C. 1451 et seq.), [2,210,000] $2,485,000, to remain available until expended: Provided, That during fiscal year [1986] 1987, total commitments to guarantee loans pursuant to the Indian Financing Act of 1974, may be made only to the extent that the total loan principal, any part of which is to be guaranteed, shall not exceed [resources and authority available] $30,000,000.

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190).

Appropriation Language and Citations

This language is an administrative limitation required by OMB Circular A-11; 31.5, and is not required by law.

Authorization: The Bureau's loan guaranty program was authorized by the Indian Financing Act of April 12, 1974, as amended.

25 U.S.C. 1481-1512: Authorized a loan guaranty and insurance program not to exceed $200 million to provide access to private money sources which otherwise would not be available to Indian tribes or organizations and individual Indians. No more than 90 percent of a loan may be guaranteed or insured.

25 C.F.R. 1541: Authorizes competent management and technical assistance for loan recipients.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-4410-0-3-452

INDIAN LOAN GUARANTY AND INSURANCE FUND

Program and Performance

The fund was established pursuant to the Indian Financing Act of 1974. The purpose of the fund is to support a program of guaranteeing or insuring loans made by commercial lending institutions to Indians and to tribes and other Indian organizations for economic development purposes. An interest subsidy is paid from the fund on loans guaranteed or insured to reduce the Indian borrower's rate of interest. The purpose of this program is to provide an incentive to the private lending sector to make loans to Indians which would not otherwise be made.

BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

	FY 1985 Available	FY 1986 Available	FY 1987 Estimate	Change------ FY 1987 Compared with FY 1986
Loan Guaranty and Insurance Program	-0-	2,197	$2,485	+288

Loan Guaranty and Insurance Program: FY 1986, 2,197,000; FY 1987, $2,485,000; 0 FTE.

Proposal: The amount of $2,485,000 is requested in FY 1987 to support the Bureau's guaranteed loan programs. The Indian Financing Act Amendments of 1984 authorize yearly appropriations for interest subsidy, management and technical assistance, and losses on defaulted loans. The funds are to be used as follows: $1.785 million for interest subsidy; and $0.7 million for management and technical assistance. A $30 million loan guaranty program is proposed for FY 1987. To support loans guaranteed for FY 1985, 1986, and 1987, $2.185 million is estimated to be needed for interest subsidies; $400,000 would come from collections to the fund. A reserve for losses is maintained to pay defaulted guaranteed loans. As of September 30, 1985, $7.9 million has been paid for defaulted loans since 1975. As of the end of FY 1987, it is estimated that $13.1 million will be in the reserve. This amount will represent 8% of the $165.2 million in contingent liability for guaranteed loans expected to be outstanding at the end of FY 1987. The contingent liability will be approximately 87.3% of outstanding loans of $189.3 million.

Collections during FY 1987 are estimated at $0.9 million from premiums on guaranteed loans, and $0.3 million from sale of assets acquired in liquidation and loan repayments, making an estimated $1.2 million available for programming for administrative expenses, interest subsidies, and to support the reserve for losses. There will be no available carryover funds from the previous year.

Program Description: The fund was established pursuant to the Indian Financing Act of 1974. The purpose of the fund is to provide access to private money sources through guaranteeing or insuring loans which otherwise would not be available to Indian tribes and organizations, individual Indians, and Alaska Natives for economic development purposes. Prior to FY 1986, appropriations were made to the fund of $20 million, $10 million, and $15 million in 1975, 1976, and 1977, respectively, making a total of $45 million available for the administration of this program.

To encourage the use of private capital, an interest subsidy is paid from the fund on loans guaranteed or insured to reduce the Indian borrower's rate of interest to the rate charged on direct loans from the Revolving Fund for Loans. Previously obligated funds will be disbursed for loans approved prior to FY 1985 to pay interest subsidy, leaving a balance at the end of FY 1985 of $7.2 million. This balance will decrease each year as the loans are repaid. Under the 1984 amendments, subsidy funds will be requested and obligated on a yearly basis for new loans. It is estimated that $2.185 million will be necessary for interest subsidies in FY 1987 to support loans approved since passage of the Indian Financing Act Amendments. Since 1976, borrowers have paid lending institutions $28.8 million in principal, and $37.8 million in interest, a total of $66.6 million. The Bureau has paid $8.4 million in interest subsidies to support these loans.

If necessary, as authorized by Section 302 of the Indian Financing Act of 1974, funds will be used to pay administrative expenses in connection with processing and collecting loans, evaluating field processing, and ADP costs to support the program.

The first loan guaranty under the program was approved in August 1975. As of September 30, 1985, guarantees were approved on 233 loans totaling $178.1 million. The breakdown by fiscal year and current status is shown in Table I. Of the total loans, 75 were to Indian tribes, 53 to Indian-owned corporations, and 105 to Indian individuals. To date, 220 lenders have been approved for participation in the program. As of September 30, 1985, 117 loans were outstanding, 44 had been paid off, and 43 loans had defaulted. The total payout for the defaulted loans, including interest, was $7.9 million, or 5.0% of the total dollar amount guaranteed to September. This information is broken down by area in Table II. Of the 43 loans defaulted, 4 have been repaid either by the borrower or liquidation, 16 have been cancelled, 7 are repaying, and 16 are in process of settlement.

[illegible]

TABLE II

Status of Loan Guarantees as of September 30, 1965

AREA	NO.	FACE AMOUNT	NO.	CURRENT AMOUNT	AMOUNT WHEN DEFAULTED NO.	AMOUNT WHEN DEFAULTED AMOUNT	MODIFIED OR PAID OFF NO.	MODIFIED OR PAID OFF AMOUNT	GUARANTY CANCELLED NO.	GUARANTY CANCELLED AMOUNT
Aberdeen	25	7,526,672	12	5,192,211	4	1,742,081	9	1,961,000	1	1,672
Albuquerque	20	21,826,531	8	17,848,689	4	806,169	6	249,652	2	41,000
Anadarko	29	2,545,661	8	427,790	11	692,826	8	314,256	3	836,131
Billings	22	10,509,132	12	5,814,643	3	2,138,798	6	1,524,000	1	250,000
Eastern	21	17,690,900	13	11,017,772	3	2,426,033	3	3,539,709		129,291
Juneau	10	36,926,300	5	32,617,504			3	11,618	2	1,098,382
Minneapolis	20	18,508,810	11	17,862,509	4	68,710	5	686,931		24,816
Muskogee	14	1,606,485	2	60,131	5	830,216	4	211,329	3	278,611
Navajo	4	35,875,000	2	12,561,093			1	8,500,000	1	8,200,000
Phoenix	6	8,524,000	1	5,500,000	1	13,308	3	1,641,134	1	1,364,846
Portland	58	15,085,711	44	10,191,440	4	158,582	10	3,105,082	1	652,302
Sacramento	4	1,013,400	2	861,920	2	110,072				
TOTALS	233	177,917,258	117	118,578,504	43	8,958,019	58	21,984,343	15	12,939,249

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND
Summary of Program and Funding Data

($ in millions)	Actual	Estimate	
Funds Available for Reserves and Costs:	FY 1985	FY 1986	FY 1987
1 Fund Balance, start of year	8.0	3.4	0.0
2 Collections	.3	.7	.9
3 Liquidation of assets	.1	.3	.3
4 Appropriation	.0	2.2	2.5
5 Total Available	8.4	6.6	3.7
Less:			
6 Net Reserves for loan losses (line 23 less 24)	-3.5	-.4	3.1
7 Reserves for interest subsidies (line 15)	0	-1.7	-2.1
8 Mgmt. & tech. assistance cost	-.7	-.6	-.7
9 Defaulted loan costs	0	-.1	-.1
10 Other Expenses	0	-.3	-.1
11 Purchase of default loans	-.8	-3.5	-3.8
12 Total needs for reserve and costs	-5.0	-6.6	-3.7
13 Fund Balance, end of year	3.4	0.0	0.0
Status of reserves and obligations:			
For Interest Subsidies:			
14 Obligated Balance, start of year	8.2	7.2	6.5
15 Obligated during year	0	1.7	2.1
16 Expenditures	-1.0	-2.4	-2.8
17 Obligated Balance, end of year	7.2	6.5	5.8
For Other Expenses:			
18 Obligated Balance, start of year	.3	.6	.4
19 Obligated during year	.3	.1	.1
20 Expenditures	0	-.3	-.2
21 Obligated Balance, end of year	.6	.4	.3
For Defaults (Administrative commitments):			
22 Reserve for losses, start of year	12.3	15.9	16.2
23 Reserved during year	5.5	3.6	0
24 Reduction to the reserve during year	-2.0	-3.2	-3.1
25 Balance, end of year	15.8	16.2	13.1
Total reserves and obligations.	23.6	23.1	19.2
Total Program Outlay:			
Mgmt. & tech. assistance (line 8)	.7	.6	.7
Defaulted loan costs (line 9)	0	.1	.1
Purchase of default loans (line 11)	.8	3.5	3.8
Interest subsidy expenditures (line 16)	1.0	2.4	2.8
Other expenses (line 20)	0	.3	.2
Total Outlay	2.5	6.9	7.6
Less collections (line 2)	-.3	-.7	-.9
Less liquidation of assets (line 3)	-.1	-.3	-.3
Net Total Program Outlay	2.1	5.9	6.4
Guaranteed Loans:			
Outstanding, start of year	92.8	118.6	171.7
New loans during year	41.7	62.7	30.0
Repayments during year	-13.9	-6.0	-7.6
Defaults during year	-1.3	-3.6	-4.8
Guarantees Cancelled	-.7	-	-
Outstanding, end of year	118.6	171.7	189.3

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

Program and Financing (in thousands of dollars)

Identification Code: 14-4410-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Operating expenses:			
1. Interest subsidy expense........	609	1,551	2,180
2. Technical assistance............	672	634	700
3. Other expenses..................	11	50	100
Total operating expenses........	1,292	2,235	2,980
Adjustment of Prior Year Capital Investments 1/	(618)		
Capital investment....................	827	3,940	3,800
10.00 Total obligations..............	1,501	6,175	6,780
Financing:			
14.00 Offsetting collections from: Non-federal sources:............	-402	-953	-1,260
21.98 Unobligated balance available, start of year..............	-20,293	-19,194	-16,169
24.98 Unobligated balance available, end of year................	19,194	16,169	13,134
39.00 Budget Authority...............	---	2,197	2,485
Budget Authority:			
40.00 Appropriations..................	---	2,210	2,485
40.00 Reduction pursuant to P.L. 99-190..................	---	-13	---
43.00 Appropriation (adjusted).......	---	2,197	2,485
Relation of obligations to outlays:			
71.00 Obligations incurred, net....	1,099	5,222	5,520
72.98 Obligated balance, start of year........................	8,423	7,578	6,900
74.98 Obligated balance, end of year	-7,578	-6,900	-6,050
90.00 Outlays.......................	1,944	5,900	6,370

1/ This schedule does not agree with the President's budget due to adjustments of prior year capital.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

Status of Direct Loans (in thousands of dollars)

Identification Code: 14-4410-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Position with respect to limitation on obligations:			
Obligations exempt from limitation:			
1131 Direct loans to the public....	---	300	100
1132 Defaulted guaranteed loan claims.	827	3,640	3,700
1150 Total direct loan obligations	827	3,940	3,800
Cumulative balance of direct loans outstanding:			
1210 Outstanding, start of year........	5,924	6,340	7,140
New loans:			
1231 Direct loans disbursements......	---	300	100
1232 Disbursements for guaranty loan claims..........................	827	3,640	3,700
Repayments:			
1251 Repayments and prepayments......	-51	-90	-100
1252 Repayments of defaulted guaranteed loans..............	-24	-250	-300
Adjustments:			
1262 Write-offs for default..........	-338	-2,500	-2,500
1264 Other adjustments, net 1/......	+2	-300	-250
1290 Outstanding, end of year..........	6,340	7,140	7,790

1/ Unguaranteed portion of defaulted loans assigned to the Bureau of Indian Affairs by commercial lenders.

OBJECT CLASSIFICATION (in thousands of dollars)

23.0 Other expenses......................	---	50	100
25.0 Other services......................	672	634	700
33.0 Investments and loans	827	3,940	3,800
41.0 Grants, subsidies, and contributions	2	1,551	2,180
99.9 Total Obligations...................	1,501	6,175	6,780

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

Status of Guaranteed Loans (in thousands of dollars)

Identification Code: 14-4410-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Position with respect to limitation on commitments:			
2111 Limitation on guaranteed loans by private lenders	---	---	30,000
2131 Guaranteed loan commitments exempt from limitation.........	41,727	62,720	---
2150 Total guaranteed loan commitments	41,727	62,720	30,000
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.......	84,551	118,579	171,732
2231 Disbursements of new guaranteed loans........................	49,266	62,720	30,000
2251 Repayments and prepayments.......	-13,916	-6,010	-7,572
Adjustments:			
2261 Terminations for default.........	-802	-3,557	-3,658
2264 Other adjustments, net 1/.........	-520	---	-1,200
2290 Outstanding, end of year.........	118,579	171,732	189,302
MEMORANDUM:			
2299 U.S. contingent liability for guaranteed loans outstanding, end of year...........	105,115	152,208	165,196

1/ Purchased less than 100% participation in guaranteed loan.

REVENUE AND EXPENSE (in thousands of dollars)

	1985 Actual	1986 Estimate	1987 Estimate
Loan Guaranty and Insurance Fund Program:			
Revenue...........................	333	667	855
Expense...........................	-1,451	-3,612	-4,141
Write-offs........................	-338	-2,500	-2,500
Adjustment........................	---	---	---
Net operating loss, total.............	-1,456	-5,445	-5,786

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

P.L. 99-177 Sequestration

Program and Financing (in thousands of dollars)

Identification Code: 14-4410-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations..............	---	-94	---
Financing:			
40.00 Budget Authority...............	---	-94	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net....	---	-94	---
72.98 Obligated balance, start of year.......................	---	---	-45
74.98 Obligated balance, end of year	---	45	---
90.00 Outlays......................	---	-49	-45

OBJECT CLASSIFICATION (in thousands of dollars)

92.0 Undistributed......................	-94

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

P.L. 99-177 Sequestration

Status of Guaranteed Loans (in thousands of dollars)

Identification Code: 14-4410-0-3-452	1985 Actual	1986 Estimate	1987 Estimate
Position with respect to limitation on commitments:			
2131 Guaranteed loan commitments exempt from limitation.........	---	-2,697	---
2150 Total guaranteed loan commitments	---	-2,697	---
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year.......	---	---	-2,697
2231 Disbursements of new guaranteed loans.........................	---	-2,697	---
2290 Outstanding, end of year.........	---	-2,697	-2,697
MEMORANDUM:			
2299 U.S. contingent liability for guaranteed loans outstanding, end of year...........	---	-2,427	-2,427

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
INDIAN LOAN GUARANTY AND INSURANCE FUND

FINANCIAL CONDITION (in thousands of dollars)

Assets:	1984 Actual	1985 Act.	1986 Est.	1987 Est.
Selected assets:				
Fund balance with Treasury..........	28,715	26,771	23,024	19,184
Advances............................	154	181	---	---
Assets acquired through default....	5,330	5,791	6,426	7,010
Total assets......................	34,199	32,743	29,450	26,194
Liabilities:				
Selected liabilities:				
Accounts payable...................	245	258	---	---
Government equity:				
Selected equities:				
Unexpended budget authority:				
Unobligated balance................	20,293	19,194	16,169	13,134
Undelivered orders.................	8,331	7,500	6,855	6,050
Invested capital...................	5,330	5,791	6,426	7,010
Total Government equity..........	33,954	32,485	29,450	26,194
Analysis of Changes in Government Equity:				
Paid in capital:				
Opening balance....................		45,000	45,000	47,103
Appropriation......................		---	2,103	2,485
Closing balance....................		45,000	47,103	49,588
Retained income:				
Opening balance....................		-10,801	-12,257	-17,653
Transaction: Net operating loss...		-1,456	-5,396	-5,741
Closing balance..........		-12,257	-17,653	-23,394
Total Gov't equity (end of year).		32,743	29,450	26,194

This table includes the effects of P.L. 99-177.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
TRUST FUNDS
14-8366-0-7-452

COOPERATIVE FUND (PAPAGO)

Program and Performance

This Cooperative Fund, established by section 313 of the Southern Arizona Water Rights Settlement Act, P.L. 97-293 (96 Stat. 1274-1285), provides a source of funds for the Secretary of the Interior to carry out the obligations of the Secretary under sections 303, 304 and 305 of the Act. Only interest accruing to the fund may be expended. However, the law provides that no such interest can be spent prior to the earlier of 1992 or the completion of the main project works of the Central Arizona Project.

Program and Financing (in thousands of dollars)

Identification Code: 14-8366-0-7-452	1985 Actual	1986 Estimate	1987 Estimate
Program by Activities:			
10.00 Total Obligations (Object Classification 33.0)...	37	---	---
Financing:			
21.40 Unobligated balance available, start of year:			
Treasury balance..............	991	-2	-2
U.S. Securities (par).........	-8,155	-12,825	-13,885
24.40 Unobligated balance available, end of year:			
Treasury balance..............	2	2	2
U.S. Securities (par).........	12,825	13,885	15,035
60.00 Budget Authority (appropriation) (permanent, indefinite)........	5,700	1,060	1,150
Relation of obligations to outlays:			
71.00 Obligations incurred, net......	37	---	---
90.00 Outlays........................	37	---	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

TRIBAL TRUST FUNDS

MISCELLANEOUS TRUST FUNDS

In addition to the tribal funds authorized to be expended by existing law, there is hereby appropriated not to exceed [$4,000,000] $1,000,000 from tribal funds not otherwise available for expenditure.

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Appropriation Language and Citations

25 U.S.C. 123 provides that no money shall be expended from Indian tribal funds without specific appropriation by Congress except as follows: Equalization of allotments, education of Indian children in accordance with existing law, per capita and other payments, all of which are hereby continued in full force and effect: Provided, That this shall not change existing law with reference to the Five Civilized Tribes.

25 U.S.C. 123a provides that funds of any tribe of Indians under the control of the United States may be used for payments of insurance premiums for protection of the property of the tribe against fire, theft, tornado, hail, earthquake, or other elements and forces of nature, and for protection against liability on account of injuries or damages to persons or property and other like claims.

25 U.S.C. 123b provides that on and after May 9, 1938, tribal funds shall be available for appropriation by Congress for traveling and other expenses, including supplies and equipment for members of tribal councils, business committees, or other tribal organizations, when engaged in business for the tribes.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-9973-0-7-999
TRUST FUNDS

Program and Performance

1. TRIBAL TRUST FUNDS (14X8365)-- Tribal funds are deposited into a consolidated account in the U.S. Treasury pursuant to: (1) general or specific acts of Congress enacting the judgment awards of the Indian Claims Commission and the Court of Claims; and (2) Federal management of tribal real properties, the titles to which are held in trust for the tribes by the United States. These funds are available to the respective tribal groups for various purposes, under various acts of Congress, and are subject to the provisions of tribal constitutions, bylaws, charters, and resolutions of the various tribes, bands, or groups. Tribal funds may be used for the conduct of tribal financial programs, enterprises, businesses, per capita payments, and other tribal affairs. These funds are not Federal monies as the funds belong strictly to the tribes. The Bureau only invests and monitors the numerous tribal accounts in fulfilling its trust responsibility as the respective trustee of the United States. These funds are reported annually in the budget schedules to give Congress the opportunity to review the activity conducted under the authorities extended to the Secretary of the Interior.

2. FUNDS CONTRIBUTED FOR THE ADVANCEMENT OF THE INDIAN RACE (14X8563)-- This program accounts for any contributions, donations, gifts, etc., which are to be used for the benefit of American Indians in accordance with the donor's wishes (82 Stat. 171).

3. BEQUEST OF GEORGE C. EDGETER (14X8060)-- This account consists of a bequest, the principal of which is invested in U.S. Treasury bonds and notes, and the interest is to be used for the relief of American Indians (82 Stat. 171), as specified by the donor's wishes.

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
14-9973-0-7-999
TRUST FUNDS

Analysis of Changes in Requirements
(in thousands of dollars)

	Budget Authority	Outlays
FY 1985 Total	$424,431	$347,846
Increases		
Program increases:		
Direct Program	+540	+540
Other Trust	+73	+89,215
Miscellaneous Permanents (Tribal)	+7,413	-844
FY 1986 Total	$432,457	$436,757
Increases		
Program increase:		
Miscellaneous Permanents (Tribal)	+34,996	+46,243
FY 1987 Total	$467,453	$483,000

TRIBAL TRUST FUNDS

Highlight Statement

Tribal funds are deposited into a consolidated account in the U.S. Treasury pursuant to: (1) general or specific acts of Congress enacting the judgment awards of the Indian Claims Commission and the Court of Claims; and (2) Federal management of tribal real properties, the titles to which are held in trust for the tribes by the United States. These two sources of funds contribute approximately 35% and 65%, respectively, of the tribal trust fund income. Approximately 300 Indian tribes, bands, or identifiable groups maintain funds in the U.S. Treasury account; these monies are separately identified and controlled in some 700 accounts by the BIA.

Tribal funds are available to the respective tribal groups for various purposes, under various acts of Congress, and are subject to the provisions of tribal constitutions, bylaws, charters, and resolutions of the various tribes, bands, or groups. Tribal funds may be used for the conduct of tribal financial programs, enterprises, businesses, per capita payments, and other tribal affairs.

The Act of October 19, 1973 (87 Stat. 466), provides general authority for the distribution of funds appropriated in satisfaction of judgments of the Indian Claims Commission and the Court of Claims, subject to certain conditions, including the development of a plan for the use of the funds. Funds derived from the management of tribal trust properties are available for tribal use in accordance with approved budgets under annual/definite, or permanent/indefinite authorizations.

Funds programmed under annual/definite authorizations are not otherwise available for expenditure without Congressional action, and the $1 million requested for Fiscal Year 1987 is to provide the Secretary of the Interior with expenditure authority for the implementation of programs for those tribes which are not sufficiently organized to be represented by a recognized governing body, or to permit disbursements through a Treasury Regional Disbursing Office when no other legislative authority exists. Expenditures made under this authority are individually made through the Regional Disbursing Offices, subject to the same regulations and procedures as appropriations from the general fund of the Treasury.

Funds programmed under permanent/indefinite authorization are made available under legislation which provided permanent authority for the Secretary of the Interior to withdraw from tribal accounts in the Treasury those funds needed to carry out programs designed by a particular tribe and approved by the Secretary for the conduct of tribal operations, including but not limited to management of tribal resources and other programs designated to improve the situation of the general membership. Funds can be disbursed through either the Regional Disbursing Office or the Indian Service Special Disbursing Agents' accounts, or funds can be advanced to tribes for disbursement by their bonded tribal treasurers under approved plans of operation. Although these funds do not require annual approval by Congress they are reported annually in the budget schedule to give Congress an opportunity to review the activity conducted under the authorities extended to the Secretary of the Interior.

No part of the funds contained in this estimate represents a charge upon the Federal Treasury. This item reflects the disbursement of funds to the credit of Indian tribes or bands under numerous special acts of Congress in compliance with the terms of the various trusts and for carrying out tribal programs recommended by the tribal governing bodies with the approval of the Assistant Secretary for Indian Affairs.

The budget schedule under the Permanent authorizations reflects disbursements from the tribal trust funds authorized by permanent legislation and, under the Annual and Definite Authorizations, amounts requested annually to the various tribes for carrying out various tribal activities.

The estimate, therefore, is restricted to the funds requested annually, as required by section 27 of the Act of May 18, 1916 (39 Stat. 159).

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
ANNUAL DEFINITE AUTHORIZATION - TRIBAL FUNDS

Statement Relating to FY's 1985, 1986 & 1987 Programs

1985 Appropriation.. $4,000,000

1986 Budget Estimate...................................... 4,000,000

Total Appropriation for 1986.......................... 4,000,000

Total Estimate for 1987............................... $1,000,000

Analysis of Annual Definite Appropriation, Tribal Trust Funds, by Activity:

Activity/Subactivity	Actual 1985	Appropriation 1986	1987 Budget Estimate	Inc(+)/Dec(-) 1987 Compared w/ 1986
1. Education & Welfare Services	-0-	-0-	-0-	-0-
2. Resources Management	-0-	-0-	-0-	-0-
3. Construction & Land Acquisition	-0-	1,000,000	500,000	-0-
4. General Tribal Affairs	455,217	3,000,000	500,000	-0-
Total	$ 455,217	$4,000,000	$1,000,000	-0-

Summary of Trust Fund Budget Authority

	1985 Actual	1986 Estimate	1987 Estimate
A. Tribal Funds:			
1. Annual Definite Authorization	$ 455,217	$4,000,000	$1,000,000
2. Permanent Authorization	[illegible]	[illegible]	[illegible]
B. Other Trust Funds - (Permanent Indefinite)	276,000	277,000	277,000
Total	[illegible]	[illegible]	[illegible]

Tribal Funds - Annual Definite: Fiscal Year 1986, $4,000,000; Fiscal Year 1987, $1,000,000.

STATUS OF PROGRAMS

Funds programmed under the annual definite authorization as shown on the following tabulation are to be used for various education and welfare programs, resources management, construction and land acquisition, and general tribal affairs, including taxes and attorneys' fees. All amounts in the FY 1986 estimate have been requested by the Indian tribal groups except the sum of $787,575 for miscellaneous tribes. The amount under "miscellaneous tribes" is requested to provide for additional tribal requests that are anticipated during the fiscal year.

COMPARATIVE STATEMENT OF ANNUAL DEFINITE AUTHORIZATIONS BY TRIBE

STATE-AGENCY TRIBE	ACTUAL FY 1985	ESTIMATE FY 1986	ESTIMATE FY 1987
California	$42,084	35,000	35,000
Agua Caliente	42,084	35,000	35,000
Washington	414,892	177,425	192,425
Colville	19,926	38,000	38,000
Yakima	393,203	139,425	154,425
Arizona	---	---	25,000
White Mountain	---	---	25,000
Miscellaneous Tribes	---	3,787,575	747,575
Grand Total	$455,218	4,000,000	1,000,000

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification Code: 14-9973-0-7-999	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
1. Direct program (limitation)........ (tribal funds)	460	4,000	1,000
2. Miscellaneous permanent...........	346,260	432,257	481,506
3. Other trust funds..................	459	500	500
10.00 Total obligations................	347,179	436,757	483,006
Financing:			
21.40 Unobligated balance available, start of year:			
Treasury balance.................	-889,051	-989,808	-982,600
U.S. Securities (par)............	-205,847	-182,342	-185,250
24.40 Unobligated balance available, end of year:			
Treasury balance.................	989,808	982,600	957,847
U.S. Securities (par)............	182,342	185,250	194,450
39.00 Budget authority................	424,431	432,457	467,453
Budget authority:			
Current:			
40.00 Appropriation....................	460	4,000	1,000
Permanent:			
60.00 Appropriation (indefinite)......	423,971	428,457	466,453
Relation of obligations to outlays:			
71.00 Obligations incurred, net........	347,179	436,757	483,006
72.40 Obligated balance, start of year.........................	967	300	+300
74.40 Obligated balance, end of year	-300	-300	-306
90.00 Outlays..........................	347,846	436,757	483,000
Distribution of budget authority by account:			
Indian tribal funds..................	424,227	432,180	467,176
Indian moneys, proceeds of labor....	4	---	---
Funds contributed for the advancement of the Indian race.................	194	270	270
Request of George C. Edgeter........	6	7	7

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS
TRUST FUNDS

Program and Financing (in thousands of dollars)

Identification Code: 14-9973-0-7-999	1985 Actual	1986 Estimate	1987 Estimate
Distribution of outlays by account:			
Indian Tribal funds..............	346,725	436,707	482,950
Indian moneys, proceeds of labor.	1,184	---	---
Funds Contributed for the advancement of the Indian race.	-63	50	50

OBJECT CLASSIFICATION

Personnel compensation:			
11.1 Full-time permanent..........	118	---	---
11.3 Other than full-time permanent	39	---	---
11.5 Other personnel compensation.	27	---	---
11.8 Special pers. svs. payments..	---	---	---
11.9 Total pers. compensation...	184	---	---
Personnel Benefits:			
12.1 Civilian.....................	14	---	---
21.0 Travel and trans. of persons.	1	---	---
22.0 Transportation of things.....	---	---	---
23.2 Communications, utilities, and other rent.................	---	---	---
24.0 Printing and reproduction....	10	---	---
25.0 Other Services...............	119,131	---	---
26.0 Supplies and materials.......	57	---	---
31.0 Equipment....................	---	---	---
32.0 Lands and structures.........	---	---	---
44.0 Refunds......................	227,782	436,757	483,006
99.9 Total obligations............	347,179	436,757	483,006

Personnel Summary

Total number of full-time permanent positions........................	5	---	---
Total compensable workyears:			
Full-time equivalent employment...	7	---	---
Full-time equivalent of overtime and holiday hours................	---	---	---

DEPARTMENT OF THE INTERIOR
BUREAU OF INDIAN AFFAIRS

CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS

	1985 Actual	1986 Estimate	1987 Estimate
ES-6	1	1	1
ES-5	1	2	2
ES-4	8	8	8
ES-3	1	1	1
ES-2	3	3	3
ES-1	1	3	3
Subtotal	15	18	18
GS/GM-15	35	35	34
GS/GM-14	186	186	184
GS/GM-13	308	310	308
GS-12	655	660	655
CS-11	1,009	1,019	1,008
GS-10	26	26	25
GS-09	1,147	1,147	1,117
GS-08	100	112	112
GS-07	472	502	482
GS-06	733	733	703
GS-05	1,052	1,052	1,045
GS-04	1,908	1,908	1,890
GS-03	381	400	390
GS-02	14	16	15
Subtotal	8,026	8,106	7,968
Ungraded	2,126	2,147	2,121
Total permanent positions	10,152	10,253	10,089
Unfilled Position, end-of-year	-812	-820	-807
Total permanent employment, EOY	9,340	9,433	9,282

BUREAU OF INDIAN AFFAIRS

OPERATION OF INDIAN PROGRAMS

(Supplemental now requested, existing legislation)

For an additional amount for "Operation of Indian Programs", not to exceed $26,500,000, of which $1,500,000 shall be transferred to the Chippewa-Ottawa Treaty Fishery Management Authority (COTFMA) to provide the Federal contribution related to the compromise agreement resulting from the U.S. v. Michigan fishery litigation: Provided, That these funds shall be made available to COTFMA after receipt and approval by the Secretary or his designated representative of an investment plan for establishing a fund, which shall be invested at interest; Provided further, That only the interest income, from such fund, is to be available for fisheries management activities by the Chippewa-Ottawa Treaty Fishery Management Authority: Provided further, That those funds appropriated hereunder shall be repaid to the Federal government after a fifteen (15) year period: Provided further, That should the Chippewa-Ottawa Treaty Fishery Management Authority dissolve at any time during the fifteen (15) year period, those funds appropriated hereunder shall immediately be repaid to the Federal government.

Program and Financing (in thousands of dollars)

Identification code: 14-2100-1-1-452		1985 actual	1986 est.	1987 est.
Program by activities:				
10.00	Total obligations (object class 25.0)........................	--	1,500	--
Financing:				
39.00	Budget authority.............	--	1,500	--
Budget authority:				
40.00	Appropriation.................	--	26,500	--
41.00	Transferred to other accounts......................	--	-25,000	--
43.00	Appropriation (adjusted)	--	1,500	--
Relation of obligations to outlays:				
71.00	Obligations incurred, net....	--	1,500	--
90.00	Outlays......................	--	1,500	--

This supplemental request would provide funds to reimburse $25 million transferred from the Bureau of Indian Affairs' "Construction" account in 1985 to finance obligations incurred for fire suppression and for emergency rehabilitation of burned-over areas.

The remainder of the request would be paid to the Chippewa-Ottawa Treaty Fishery Management Authority to establish a fund to be invested at interest. The interest would be available for fisheries management activities.

BUREAU OF INDIAN AFFAIRS

CONSTRUCTION

(Supplemental now requested, existing legislation)

Program and Financing (in thousands of dollars)

Identification code: 14-2301-1-1-452	1985 actual	1986 est.	1987 est.
Program by activities:			
10.00 Total obligations............	--	--	--
Financing:			
21.40 Unobligated balance, start of year.........................	--	--	-25,000
24.40 Unobligated balance, end of year.........................	--	25,000	25,000
39.00 Budget authority.............	--	25,000	--
Budget authority:			
42.00 Transferred from other accounts.....................	--	25,000	--
43.00 Appropriation (adjusted).....	--	25,000	--
Relation of obligation to outlays:			
71.00 Obligations incurred, net....	--	--	--
90.00 Outlays......................	--	--	--

This schedule reflects the transfer of $25 million from the Bureau of Indian Affairs' "Operation of Indian Programs" account to reimburse funds transferred to that account in 1985 to finance obligations incurred for fire suppression and for emergency rehabilitation of burned-over areas.

JUSTIFICATION

PAYMENT TO THE CHIPPEWA-OTTAWA TREATY FISHERY MANAGEMENT AUTHORITY: $1,500,000

The Treaty fishing rights of the Sault Ste. Marie, Bay Mills, and Grand Traverse tribes were affirmed in Federal Court in calendar year 1981. In March of 1985, a compromise agreement was signed by parties to the 15-year old U.S. v. Michigan litigation, which will assist in stabilizing the fishery, reducing political, legal and social conflicts and allow the tribes the necessary time to pursue the economic development and enhancement of the fishery. The agreement provides for implementation of a Great Lakes Trout Rehabilitation Plan, prohibition of treaty gillnet fishing in key sport fishing areas, and establishment of a Treaty Water Conservation Office to ensure cooperation among the parties.

As provided for by the agreement, the three Michigan tribes established the Chippewa-Ottawa Treaty Fishery Management Authority (COTFMA) to provide uniform joint regulations governing tribal fishing activities, to act as a coordinating body for enforcement activities, to coordinate initiatives regarding enhancement of the fishery and to provide a forum for resolving policy issues among the tribes. The COTFMA is advised on technical fishery matters, fishing regulations, harvest and status on the fishery stocks by the joint Inter-Tribal Fisheries and Assessment Program which carries out stock assessment and research studies, recommends harvest quotas, prepares data for negotiations/litigation and works with other tribal, state, federal and academic biologists throughout the Upper Great Lakes area. A joint biological committee, the Tripartite Technical Working Group, consisting of biologists from the Inter-Tribal Fisheries and Assessment Program, the State of Michigan and the U.S. Fish and Wildlife Service, assesses the status of important fish stocks, and establishes annual total allowable catches for use by the State of Michigan and COTFMA in regulating fisheries.

A part of the compromise agreement established a Treaty Waters Fisheries Management Fund. The Federal government is committed to provide $1,500,000 to this funds which is to be invested at interest. The authorizing language assumes reversion of the principal amount to the Federal government after 15 years or upon any previous dissolution of the COTFMA organization prior to that time. Only the interest earned from the invested $1,500,000 principal amount will be utilized for COTFMA management operational costs.

The State of Michigan is also to provide no less than $1,500,000 for the Treaty Waters Fisheries Management. These State funds will be separately invested by the State. The State interest will be made available to COTFMA for management operational costs as concurred in by the State.

JUSTIFICATION

FIRE SUPPRESSION, SUPPRESSION, AND EMERGENCY REHABILITATION $25,000,000

Need for Increase:

The estimate of $25 million is required to repay the Construction account for a fiscal year 1985 transfer to cover cost of prevention, presuppression and suppression of fires on or threatening forest and range lands of Indian reservations, and the emergency rehabilitation of Indian forest and range lands that have been burned over by wildfires.

Program Objectives:

The major objectives of this program are to maintain a state of preparedness to combat wildfires promptly and efficiently, and to restore productivity of burned over lands.

Program Justification:

To achieve these objectives, comprehensive programs of fire prevention, presuppression and suppression must be planned, organized, trained for, and vigorously executed. The proposed supplemental is required to cover the Bureau's FY 1985 cost of emergency prevention, presuppression, and suppression of fires on or threatening forest and range lands on Indian reservations, and the emergency rehabilitation of Indian forest and range lands that have been burned over by wildfires. Obligations for these activities in total for the past six fiscal years were as follows:

Fiscal Year	Total Obligations
1981	13,719,632
1982	14,017,275
1983	15,277,650
1984	22,221,039
1985	22,622,282

The pattern of steadily increasing man-caused fire occurrence is expected to continue over the long term, due to factors such as increasing accessibility because of expanded timber harvest and other road building activities, and more emphasis on outdoor recreation.

The following comparison between the CY 1985 fire season and the five-year average indicates a significant increase in man-caused fires compared to total fires.

	Total Fires	Man-Caused	Acres
BIA 5-Year Average (1981-85)	3,072	2,384	124,333
BIA 1985 Fire Season	2,918 (-5%)	2,512 (+5%)	224,957 (+81%)

Rehabilitation is necessary for lands which will not or have not reseeded early enough to prevent soil erosion, loss of watershed and other economic values. Rehabilitation of the lands also reduces noxious annual weeds and grasses of the flash-fuel type which aggravate the fire hazard of the area. Costs of rehabilitating burned areas are substantially less if done promptly.

Obligations for fire prevention, presuppression and suppression for FY 1984 were approximately $22.2 million. Obligations for FY 1985 were $25.6 million. The fire season in 1985 in all parts of the country was high to extreme. Large destructive fires occurred throughout the West, Mid-West, and Southeast states. Much of the Bureau's expenditures were the result of assistance provided to other Federal Agencies.

(Dollars Amounts in Thousands)

	Actual FY 1984	Actual FY 1985
Fire Presuppression................	10.0	11.5
Fire Suppression	11.7	13.5
Emergency Rehabilitation...........	0.5	0.6
TOTAL.....	22.2	25.6

Obligations in the Operation of Indian Programs for FY 1985 were covered by transferring funds from the Construction account in accordance with the provisions of Sec. 102 of the Interior Appropriations Act. This FY 1986 supplemental is being requested to restore the funds to the Construction account.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

TERRITORIAL AND INTERNATIONAL AFFAIRS

[illegible]

Department of the Interior
Territorial and International Affairs

Budget Justifications Fiscal Year [illegible]

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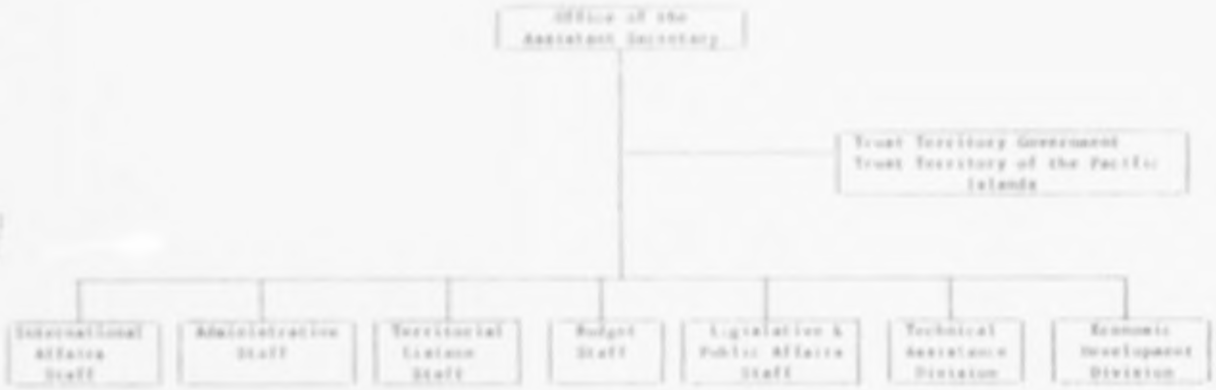
Office of the Assistant Secretary
Trust Territory Government Trust Territory of the Pacific Islands
International Affairs Staff
Administrative Staff
Territorial Liaison Staff
Budget Staff
Legislative & Public Affairs Staff
Technical Assistance Division
Economic Development Division

71a-1

General Statement

The functions and responsibilities of the Secretary of the Interior with regard to the territories of the United States and the freely associated states have been assigned to the Assistant Secretary for Territorial and International Affairs. Although the Congress has placed with the Secretary of the Interior certain authority and responsibility concerning the territorial governments, those governments are not entities of the Department of the Interior, nor are they agencies or instrumentalities of the Federal government.

The broad goals of the Department are to promote the economic, social and political development of the territories, leading each toward greater self-government, and to further international peace and security by conducting territorial affairs in coordination with the defense and foreign policies of the United States. Specific strategies are to promote private sector investment and economic diversification in the territories, to improve territorial government efficiency, and to promote greater fiscal responsibility and accountability within the local governments.

The following summary table for all territorial appropriations provides a comparison between the 1986 appropriated amounts and the 1987 request:

(Dollar amounts in thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Appropriation	FY 1987 Estimate	Inc (+) or Dec (-) from Enacted	Permanent Employment 12/31/85
Appropriations						
Administration of Territories	($)	79,894	76,459	71,529	- 8,365	---
	(FTE-T)	(41)	(41)	(46)	(+5)	(42)
Trust Territory of the Pacific Islands	($)	79,890	76,455	33,050	-46,840	---
	(FTE-T)	(10)	(10)	(5)	(-5)	(4)
Compact of Free Association	($)	---	---	27,920	+27,920	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Subtotal, Appropriations	($)	159,784	152,914	132,499	-27,285	
	(FTE-T)	(51)	(51)	(51)	(--)	(46)
Permanents and Trusts						
Payments to U.S. Territories, Fiscal Assistance	($)	60,000	57,420	55,000	-5,000	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Compact of Free Association	($)	---	---	116,350	+116,350	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Subtotal, Permanents and Trusts	($)	60,000	57,420	171,350	+111,350	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
TOTAL, TERRITORIAL AND INTERNATIONAL AFFAIRS	($)	219,784	210,334	303,849	+84,065	---
	(FTE-T)	(51)	(51)	(51)	(--)	(--)

Administration of Territories

This appropriation provides direct funding for the administration of territorial programs, technical assistance activities, capital improvements and other special grant programs in the U.S. territories of Guam, American Samoa, the U.S. Virgin Islands and the Northern Mariana Islands. Also included in this account is the government operational support for the governments of American Samoa and the Northern Mariana Islands, to the extent that local funds are not sufficient.

The budget request for operational support for American Samoa has been held at the FY 1985 level. Stabilization of the level of support for government operations is important to successful achievement of the objectives of the territorial program. It provides an incentive for the governments to seek out and implement operating efficiences; to pursue privatization of commercial functions currently being performed by the government; and to find new ways to attract businesses and diversify the economy, thus increasing the tax base.

The budget for operational support for the Northern Mariana Islands is based on the new multi-year funding agreement that was signed in July 1985 and was recently transmitted to the Congress for approval. This agreement calls for decreasing operational support over the next seven years and greater reliance on increasing local revenues generated by economic development. Under the agreement, operational support in FY 1987 will be $710,000 below the FY 1986 level.

Funding for capital improvement projects is included for each of the U.S. territories. In the case of the Northern Mariana Islands, funds are requested within the multi-year funding agreement. The primary objective of the capital improvement program is to fund construction of basic infrastructure (i.e. water, sewers, roads and power) where it is a hindrance to further economic development.

The capital improvement program also focuses on non-revenue producing projects and projects of such magnitude that they cannot reasonably be funded through local revenues or financing. Priority is given to projects which improve safety or the general health and physical welfare of the territorial inhabitants.

Technical assistance is considered to be the cornerstone of the Department's territorial program. Assistance provided by requested funds will focus on increasing economic development opportunities and supporting privatization initiatives in the territories. In addition, assistance will be provided to cover a complete range of territorial needs including health care, tax administration and policy, financial management and public safety. Assistance will continue to be provided to the Micronesian governments as necessary.

Trust Territory of the Pacific Islands

Traditionally, this appropriation has provided operational support for the Trust Territory government and for the Micronesian governments in the Republic of Palau, the Republic of the Marshall Islands and the Federated States of Micronesia. Through this appropriation, the Federal government has also provided more than $300 million of capital improvement funds for the construction of a basic infrastructure in the Trust Territory. This was a commitment made by the United States to be completed prior to the termination of the trusteeship agreement and the establishment of freely associated states in Micronesia. Finally, this account provides funding for a number of special programs in the Trust Territory, including programs designed to help islands and atolls affected by nuclear weapons testing, and general support programs for all of Micronesia such as the operations and maintenance of capital improvements, satellite communications and the College of Micronesia.

The budget reflects the enactment of the Compact of Free Association in 1986 for the Federated States of Micronesia and the Republic of the Marshall Islands. Thus, no funds have been requested for these two governments under this account. Funds for the Republic of Palau, which is not yet included in the Compact, will continue to be provided under the Trust Territory account.

The budget also assumes that the entire capital improvement program has been funded. Any new projects should be funded through the capital account in the Compact budget or through local revenues and private investment. There are, however, a number of ongoing projects that the Department will monitor until completion. The Department will also continue to place strong emphasis on establishing and maintaining effective operations and maintenance programs in Micronesia.

Payments to the U.S. Territories, Fiscal Assistance

This permanent, indefinite appropriation provides the mechanism for the return to Guam and the U.S. Virgin Islands of certain tax revenues collected by the U.S. Treasury. For the Virgin Islands, these are excise taxes, collected primarily on the export of rum; and for Guam, these are primarily income taxes of mainland personnel living on Guam, including military retirees and dependents.

Over the past several years, there has been a developing trend of decreasing excise tax collections in the Virgin Islands and steadily increasing income tax collections in Guam. These trends appear to correlate with declining rum sales in the Virgin Islands and increasing number of military personnel home-based in Guam, although other factors are also involved.

Compact of Free Association

In January 1986 the President signed a Joint Resolution of Congress approving a Compact of Free Associaton for the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands.

The Compact's enactment into law (P.L. 99-239) constitutes the authorizing legislation necessary to begin annual payments to these two freely associated states totalling $2.3 billion over the next fifteen years. This assistance will help the FSM and the Republic of the Marshall Islands achieve economic self-sufficiency.

The Compact will be implemented during 1986 and funded for a full year in a FY 1986 budget supplemental request of $270.9 million. An additional $56.5 million will be derived from the reappropriation of funds already appropriated in FY 1986 for the Trust Territory of the Pacific Islands. The request for FY 1987 is a total of $144.3 million, and is consistent with the provisions of P.L. 99-239 and the negotiated funding for the second year of the Compact.

Funding for the Republic of Palau, which is not part of this Compact, will remain under the Trust Territory of the Pacific Islands account.

Authorization:

(1) Guam. Executive Order 10077, dated September 7, 1949, transferred the administration of the Island of Guam from the Secretary of the Navy to the Secretary of the Interior. Executive Order 10137, of June 30, 1950, amended Executive Order 10077 to make the transfer effective on July 1, 1950. The Guam Organic Act was approved on August 1, 1950 (64 Stat. 384, 48 U.S.C. Sec. 1421 et. seq.) and declared Guam to be an unincorporated territory of the United States and provides that Guam's relationship with the Federal Government shall be under the general administrative supervision of the Secretary of the Interior. As a result of subsequent amendments to the Organic Act, Guam also elects its Governor and a Delegate to the United States Congress.

(2) American Samoa. In 1900, the islands were placed under the administration of the Secretary of the Navy by Executive Order. In the Act of February 20, 1929 (48 U.S.C. 1661), Congress stated that until it shall provide for the Government of the islands of American Samoa, "all civil, judicial, and military powers shall be vested in such manner as the President of the United States shall direct." The President vested these powers in the Secretary of the Interior by Executive Order 10264, dated June 29, 1951. Secretary's Order No. 2657, dated August 29, 1951, set forth the extent and nature of the authority of the Government of American Samoa and the manner in which the authority is to be exercised. Secretarial Order 3009 dated September 24, 1977, provided for an elected Governor and Lt. Governor for American Samoa, and elected officials first took office on January 3, 1978. Pursuant to Public Law 95-556, enacted on October 31, American Samoa, in November 1980, elected its first Delegate to the United States Congress.

(3) Virgin Islands. The islands were under the jurisdiction of the Navy Department from March 21, 1917, until March 18, 1931 (48 U.S.C. 1391), when the government was placed under the supervision of the Secretary of the Interior pursuant to Executive Order 5566, dated February 27, 1931. Organic legislation was first passed in 1936 (49 Stat. 1812), and was revised by Public Law 83-517, effective July 22, 1954 (48 U.S.C. et. seq.). The latter has since been amended in various respects and the Virgin Islands' elective officials first took office on January 3, 1978.

(4) Northern Mariana Islands. On March 24, 1976, the President signed a joint resolution of Congress approving the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America" (Public Law 94-241). Although the islands remain a part of the Trust Territory of the Pacific Islands under the jurisdiction of the Secretary of the Interior pursuant to Executive Order 11021 of May 7, 1962, Secretarial Order 2989, dated March 14, 1976, and effective January 9, 1978, provided for the separate administration of the Northern Mariana Islands, provided for the elected Government in the Northern Mariana Islands, and activated various sections of the Covenant.

(5) Office of Territorial and International Affairs. Established February 14, 1980, by Executive Order No. 3046.

(6) Trust Territory of the Pacific Islands. Under the terms of the Trusteeship Agreement between the United States and the Security Council of the United Nations, entered into on July 28, 1947 (61 Stat. 397), the United States exercises full jurisdiction over the Trust Territory of the Pacific Islands and is obligated to promote the political, economic, and educational advancement of the inhabitants. The act of June 30, 1954 (68 Stat. 330), as amended, and Executive Order 11021 of May 7, 1962, provide the basis for administration of the Trust Territory. Political development and increasing self-government are recognized by Secretarial Order No. 3039, "Recognition of Government Entities Under Locally-Ratified Constitution in the Trust Territory of the Pacific Islands." The constitution of the Marshall Islands went into effect on May 1, 1979; that of the Federated States of Micronesia on May 10, 1979; and the constitution of Palau on January 1, 1981.

(7) Compact of Free Association. The Compact was enacted in January 1986 (P.L. 99-239) and authorizes funding over a fifteen-year period for the Federated States of Micronesia and the Republic of the Marshall Islands. Section 105(b)(2) of the Compact provides that "Appropriations made pursuant to the Compact or any other provision of this joint resolution may be made only to the Secretary of the Interior, who shall coordinate and monitor any program or activity provided to the Federated States of Micronesia or the Republic of the Marshall Islands by departments and agencies of the Government of the United States and related economic development planning pursuant to the Compact or pursuant to any other authorization except for the provisions of sections 161(e), 313, and 351 of the Compact and the authorization of the President to agree to an effective date pursuant to this resolution. Funds appropriated to the Secretary of the Interior pursuant to this paragraph shall not be allocated to other Departments or agencies.

This basic legal authority has been supplemented over the years by various omnibus territory bills and other special legislation. No new authorizing legislation is required in support of the FY 1987 request.

Appropriation Summary Statement

Territorial and International Affairs

Appropriation: Administration of Territories

The FY 1987 request for the administration of territories appropriation is $71,529,000, a decrease of $8,365,000 from the FY 1986 estimate. This appropriation provides basic operational support for the Office of Territorial and International Affairs and for the U.S. territories of American Samoa and the Commonwealth of the Northern Mariana Islands. Also, included in this appropriation are construction grants to improve the territorial infrastructure, where a hindrance to economic development or a danger to public health and safety exists and sufficient local funds are not available.

Major activities funded by this appropriation are:

1. Guam. The base budget has been adjusted downward to reflect the funding of $4,556,000 in FY 1986 for construction projects. New funding of $3,500,000 is requested in FY 1987 to design and install water transmission lines to improve distribution throughout central and southern Guam.

2. American Samoa. The base budget has been adjusted downward by $5,886,000 representing funding in FY 1986 for several construction projects. A total of $20,776,000 is requested in FY 1987 for continuing government operations. Also, $2,730,000 is requested for capital improvement projects. These projects include the construction of new prison facilities, water system improvements, expansion of an industrial park, and an engineering and environmental assessment of a second deepwater port.

3. U.S. Virgin Islands. The base budget has been adjusted downward by $1,988,000 representing funding in FY 1986 of a loan for expansion of the St. Croix airport. New budget authority of $2,900,000 is requested to help complete the replacement of the main water transmission line in Charlotte Amalie. This line, in its current condition, is a financial drain on the government, a hindrance to further economic development, and a threat to the health of residents and visitors.

4. Northern Mariana Islands. The base budget has been adjusted downward by $3,330,000 to reflect funding in FY 1986 for water improvements on Saipan and start up costs for the CNMI hospital. New budget authority of $35,344,000 is requested for Covenant funding in fiscal year 1987. The increase of $7,618,000 over the FY 1987 base reflects the greater emphasis placed on capital improvements and economic development under the new funding agreement.

5. Territorial Administration. Funding of $2,473,000 is requested for continuing administrative costs of the Office of Territorial and International Affairs, which includes stationing of at least one representative in each of the U.S. territories. This is an increase of $15,000 and five FTEs over the base budget. New positions will be used to augment the budget and grants administration staff and to improve

technical assistance and territorial liaison capabilities. Budget authority totalling $2,200,000 is requested for the technical assistance program which through its accomplishments in recent years has become the cornerstone of the Department's territorial program. This is a decrease of $2,671,000 from the base. This reduction is due to a large unobligated balance and several significant on-going technical assistance projects. For Guam Power Authority loan assistance the Department is requesting $1,606,000. This interest rate subsidy of the Guam Power Authority loan with the Federal Financing Bank is $40,000 less than the FY 1987 base budget. The amount of the subsidy decreases each year as the loan principal declines.

Appropriation Language Sheet

DEPARTMENT OF THE INTERIOR
TERRITORIAL AND INTERNATIONAL AFFAIRS

ADMINISTRATION OF TERRITORIES

For expenses necessary for the administration of territories under the jurisdiction of the Department of the Interior, [$80,376,000] $71,529,000, of which (1) [$77,903,000] $69,056,000 shall be available until expended for technical assistance; [repurchase premium, late charges, and] payments of the annual interest rate differential required by the Federal Financing Bank, under terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law (Public Law 98-454; 98 Stat. 1732); grants to the judiciary in American Samoa for compensation and expenses, as authorized by law (48 U.S.C. 1661(c)); grants to the Government of American Samoa, in addition to current local revenues, for support of governmental functions; [$2,000,000 for a loan to the Government of the United States Virgin Islands, for construction of an extension to the Alexander Hamilton Airport runway, St. Croix: Provided, that issuance of such loan shall be contingent upon approval of a multi-year grant of Airport Improvement Program funds from the Federal Aviation Administration, and a written guarantee from the Government of the United States Virgin Islands as to the source of funds to be used for repayment of the loan] construction grants to the Government of the United States Virgin Islands as authorized by Public Law 97-357; (96 Stat. 1709); construction grants to the Government of Guam [of $4,583,000], as authorized by law (Public Law 98-454; 98 Stat. 1732; [direct] grants to the Government of the Northern Mariana Islands as authorized by law (Public Law 94-241; 90 Stat. 272 [, and Public Law 98-454; 98 Stat. 1732]); and (2) $2,473,000 for fiscal year [1986] 1987 for salaries and expenses of the Office of Territorial and International Affairs[, of which not to exceed $1,000 shall be available during 1986 for official reception and representation expenses]: Provided further, That the territorial and local governments herein provided for are authorized to make purchases through the General Services Administration: Provided further, That all financial transactions of the territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921, (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834)[: Provided further, that upon enactment of this Act the remaining balance of fiscal year 1985 funds provided in Public Law 98-473 for a grant to the College of the Virgin Islands Eastern Caribbean Center is released to the College of the Virgin Islands]. (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Language Changes

Administration of Territories

1. Deletion: "...[repurchase premium, late charges, and]..."

   Using funds provided in the 1986 appropriation, the Department has paid to the Federal Financing Bank, the repurchase premium (and late charges which accrued on that premium) resulting from the second refinancing of the loan to the Guam Power Authority.

2. Addition: "... construction grants to the Government of the United States Virgin Islands of $2,900,000 as authorized by law (Public Law 97-357, 96 Stat. 1709)..."

   The budget request includes $2,900,000 for water distribution improvements in the Virgin Islands as authorized by Public Law 97-357, 96 Stat. 1709.

3. Deletion: "...[, of which not to exceed $1,000 shall be available during 1986 for official reception and representation expenses]..."

   The Department has determined that it is not in its best interests to continue this authority.

4. Deletion: "...[Provided further: that upon enactment of this Act the remaining balance of fiscal year 1985 funds provided in Public Law 98-473 for a grant to the College of the Virgin Islands Eastern Caribbean Center is released to the College of the Virgin Islands]..."

   The balance of the funds have been paid to the College.

Appropriation Language Citations

Territorial and International Affairs

Appropriation: Administration of Territories

1. For technical assistance:

   48 U.S.C. 1469d(b)

   48 U.S.C. 1469d(b) provides that "The Secretary of the Interior is authorized to extend to the governments of American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and the Trust Territory of the Pacific Islands, and their agencies and instrumentalities, with or without reimbursement, technical assistance on subjects within the responsibility of the respective territorial governments. Such assistance may be provided by the Secretary of the Interior through members of his staff, reimbursements to other Departments or agencies of the Federal Government under the Economy Act (31 U.S.C. 686), grants to or cooperative agreements with such governments, agreements with Federal agencies or agencies of State or local governments, or the employment of private individuals, partnerships, or corporations. Technical assistance may include research, planning assistance, studies, and demonstration projects."

2. Payment of the annual interest rate differential required by the Federal Financing Bank under the terms of the second refinancing of an existing loan to the Guam Power Authority, as authorized by law:

   Public Law 98-454

   Public Law 98-454, Section 203 provides that, subject to certain conditions, the FFB shall, at the request of the GPA, repurchase the existing GPA note of December 31, 1980. In addition, Section 203 authorizes the appropriation to the Secretary of the Interior such sums as are necessary to pay to the FFB the interest rate differential between the seven percent rate to be paid by the GPA under the second refinancing agreement and the interest rate that would otherwise be determined in accordance with Section 6 of the Federal Financing Bank Act (12 U.S.C. 2285).

3. Grants to the judiciary in American Samoa for compensation and expenses, as authorized by law; grants to American Samoa, in addition to current local revenues, for support of governmental functions:

   48 U.S.C. 1661(c)

   48 U.S.C. 1661(c) provides that: "Until Congress shall provide for the government of such islands, all civil, judicial, and military powers shall be vested in such person or persons and shall be exercised in such manner as the President of the United States shall direct."

A. [illegible]
[illegible]

[illegible]

B. [illegible]

[illegible]
[illegible]
[illegible]
[illegible]
[illegible]

[illegible]

[illegible] through the General Services Administration.

[illegible] through the General Services Administration.

[illegible] through the General Services Administration.

48 U.S.C. 1469b provides that "All financial transactions of the Territorial and local governments herein provided for, including such transactions of all agencies or instrumentalities established or utilized by such governments, shall be audited by the General Accounting Office, in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended [31 U.S.C. et seq.], and the Accounting and Auditing Act of 1950 (64 Stat. 834) [31 U.S.C. 65 et seq.].

APPROPRIATION: ADMINISTRATION OF TERRITORIES

Summary of Requirements

($ in thousands)

Summary of Base Adjustments:	FTE-T	Amount	FTE-T	Amount
Appropriation currently available, 1986			41	79,894
FY 1986 P.L. 99-177 Sequestration				- 3,435
Adjusted FY 1986 Appropriation				76,459
Adjustments to Base:				
One time increases/and or decreases for construction and special program grants:				
Adjustment for 1986 Impact of P.L. 99-177		+3,435		
Guam		-4,556		
American Samoa		-5,886		
Virgin Islands		-1,988		
Northern Mariana Islands		-3,330		
Guam Power Authority Loan Assistance		-6,782		
Total, adjustments to base			—	-19,107
1987 Base Budget			41	57,352
Program changes (changes to base budget, detailed below)			+5	+14,177
Total Requirements (1987 Estimate)			46	71,529

Comparison by Activity/Subactivity

	1985 Actual		1986 Enacted to Date		P.L. 99-177 Reduction		1986 Adjusted Appropriation		1987 Base		1987 Estimate		Inc (+) Dec (-) from 1986 Appropriation		Inc (+) Dec (-) from 1986 adjusted Appropriation		Inc (+) Dec (-) from 1987 Base	
	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount
1. Guam																		
(a) Construction grants		5,610		4,556		196		4,360		—		3,500		-1,056		-860		+3,500
Subtotal		5,610		4,556		196		4,360		—		3,500		-1,056		-860		+3,500
2. American Samoa																		
(a) Operations grants	3	20,776	3	20,651		888	3	19,763	3	20,651	3	20,776		+125		+1,013		+ 125
(b) Construction grants		5,069		5,886		253		5,633				2,730		-3,156		-2,903		+2,730
(c) Special program grants		980		—		—		—		—		—		—		—		—
Subtotal	3	26,825	3	26,537	—	1,141	3	25,396	3	20,651	3	23,506	—	-3,031	—	-1,890	—	+2,855
3. Virgin Islands:																		
(a) Construction grants		—		—		—		—		—		2,900		+2,900		+2,900		+2,900
(b) Special program grants		490		1,988		85		1,903		—		—		-1,988		-1,903		—
Subtotal		490		1,988		85		1,903		—		2,900		+912		+997		+2,900
4. Northern Mariana Islands:																		
(a) Covenant grants		28,723		27,726		1,192		26,534		27,726		35,344		+7,618		+8,810		+7,618
(b) Other construction grants		8,330		3,330		143		3,187		—		—		-3,330		-3,187		—
Subtotal		37,053		31,056		1,335		29,721		27,726		35,344		+4,288		+5,623		+7,618
5. Territorial Administration																		
(a) Office of Territorial & International Affairs	48	2,606	38	2,458		106	38	2,352	38	2,458	43	2,473	+5	+15	+5	+121	+5	+ 15
(b) Technical Assistance		4,860		4,871		210		4,661		4,871		2,200		-2,671		-2,461		-2,671
(c) Guam Power Authority Loan Assistance		—		8,428		362		8,066		1,646		1,606		-6,822		-6,460		-40
Subtotal	48	7,466	38	15,757		678	38	15,079	38	8,975	43	6,279	+5	-9,478	+5	-8,800	+5	-2,696
TOTAL REQUIREMENTS	51	77,444	41	79,894	—	3,435	41	76,459	41	57,352	46	71,529	+5	-8,365	+5	-4,930	+5	+14,177

Justification of Base Adjustments
Territorial and International Affairs
(dollar amounts in thousands)

	FTE	Amount
Appropriation: Administration of Territories	41	79,894
FY 1986 P.L. 99-177 Sequestrations		-3,435
Adjusted Appropriation, 1986		76,459
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	--	+3,435

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Decreases for "ad hoc" construction or special program grants and costs

	FTE	Amount
Guam		
Water system improvements		-3,087
Mental Health A&E Grant		- 199
Penitentiary		-1,270
Subtotal, Guam		-4,556
American Samoa		
Administration Building		-1,491
Roads		- 741
Ta'u Airport		- 199
Hospital Renovation		- 970
Schools		- 994
Waterlines		-1,491
Subtotal, American Samoa		-5,886
Virgin Islands		
St. Croix Airport Loan		-1,988
Northern Mariana Islands		
Water System Improvements		-2,833
Hospital Equipment		- 497
Subtotal, Northern Mariana Islands		-3,330
Territorial Administration		
Guam Power Authority Loan Assistance		-6,782
Subtotal, increases/and or decreases for construction and special programs	--	-22,542
Subtotal adjustments to base	--	-19,107
FY 1987 Base	41	57,352

Activity Summary

Appropriation: Administration of Territories

(dollar amounts in thousands)

		1985 (B.A.) Actual	FY 1986 Appropriation Enacted	FY 1986 Adjusted Appropriation	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from base
Guam	($)	5,610	4,556	4,360	---	3,500	+3,500
	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
American Samoa	($)	26,825	26,537	25,396	20,651	23,506	+2,855
	(FTE-T)	(3)	(3)	(3)	(3)	(3)	(--)
Virgin Islands	($)	490	1,988	1,903	---	2,900	+2,900
	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Northern Mariana Islands	($)	37,053	31,056	29,721	27,726	35,344	+7,618
	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Territorial Administration	($)	7,466	15,757	15,079	8,975	6,279	-2,696
	(FTE-T)	(48)	(38)	(38)	(38)	(43)	(+5)
Total	($)	77,444	79,894	76,459	57,352	71,529	+14,177
	(FTE-T)	(51)	(41)	(41)	(41)	(46)	(+5)

Justification of Program and Performance

Activity: Guam

		1986 Enacted to Date	1986 Adjusted Appropriation	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
		(dollar amounts in thousands)				
Subactivity						
Construction Grants	($)	4,556	4,360	---	3,500	+3,500
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	4,556	4,360	---	3,500	+3,500
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Although the Government of Guam has made significant progress economically, it still is not able to provide for capital improvements without some Federal assistance. The long-range objective is for Guam to achieve economic self-sufficiency through a broadening of the local tax-base and improved government efficiency. Until such time the Department will continue to support limited grant assistance for improvements to Guam's infrastructure where it is a hindrance to economic growth.

This is the case with the Guam water system. Water experts from the Bureau of Reclamation placed on Guam through the technical assistance program and working in cooperation with the Government of Guam, have identified distribution as the major water problem on the island. The problem is particularly serious on the southern end of the island, where potable water is in short supply and repeated attempts to make use of available surface and ground water have proved inadequate. The experts believe that Guam's water problems will not be resolved until the system provides for the transmission of the good northern water to the south. Inadequate water supply diminishes the quality of life for the residents in the south and hampers economic growth and development in the region.

Funding requested in FY 1987, together with money appropriated in FY 1986, will help to address the problem. However, to adequately resolve the problem will take time, additional resources, and close coordination and involvement between the Government of Guam, the technical experts, and the Department. The Department will continue to focus its attention on working with the Government of Guam to identify and develop new sources of funding, both internally and through the private sector. Recently, for example, the Government of Guam took action, through the public utility commission, to raise water rates to a level that will fully recover all operating costs of the system. While the rate structure still does not fund capital needs, it is expected to eliminate an annual multi-million dollar subsidy previously paid from the government's general fund.

Justification of Program and Performance

Activity: Guam
Subactivity: Construction Grants

(dollar amounts in thousands)

		1986 Enacted to Date	1986 Adjusted Appropriation	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Construction	($)	4,556	4,360	---	3,500	+3,500
Grants	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Construction Grants	4,556	-196	4,360

As a result of the $196 thousand in P.L. 99-177 reductions, the planned water projects may have to be rescoped and the completion dates delayed.

Authorization Public Law 98-454, Omnibus Territories Act of 1984 authorizes up to $16,000,000 for water improvements in Guam.

Objectives

- To work with the Government of Guam to plan and design water system improvements.
- To begin construction of new transmission lines where the water need is most critical.
- To identify new sources of local funding for water improvements.

Base Program

The base program for construction activity in Guam involves working with the Government of Guam to identify critical infrastructure needs and to find funding to meet those needs. Ad hoc construction grants through the Department of the Interior are but one option that is considered. Other options include a capital improvement program funded by local revenues, other Federal grant programs, capitalization and ownership by the private sector, private and governmental loans or loan guarantees, and various combinations of the above. As the Government of Guam moves toward greater self-sufficiency and improves its financial condition, these other options become more viable.

The program also includes performing necessary functions of a grantor agency. These include monitoring the progress of ongoing construction activity, ensuring the use of competitive processes in the solicitation and award of contracts, ensuring sound financial controls and reporting, and working with the local government to correct identified deficiencies.

Increase for FY 1987

(in thousands of dollars)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	---	3,500	+3,500
(FTE-T)	(--)	(--)	(--)

The increase of $3,500,000 will enable the Government of Guam to correct one critical water problem that has hampered the health and development of the southern and central regions of the island. The Department has placed Bureau of Reclamation water experts on site to assist the Government of Guam in the planning and designing of systems improvements. The experts are of the opinion that this project is critical to resolving Guam's water problem.

Distribution of Change by Object Class

The object class detail of the proposed $3,500,000 increase is as follows:

	Amount
Grants, subsidies and contributions	+$3,500,000

Justification for Construction

Activity: Guam
Subactivity: Construction Grants

	Total Estimated Cost	Total BA Through FY 1986	FY 1987 Request
Project Mangilao-Chalan Pago Water Transmission Line	$3,500,000	---	$3,500,000

Statement of Need

The majority of the wells currently in operation are located in the Dededo-Yigo area (northern region of Guam). Excess water from this area is transmitted to Mangilao and Chalan Pago, then to the southern villages through pipelines. The existing 12-inch pipelines are too small to deliver the amount of water required to provide the southern villages with an adequate water supply. The Bureau of Reclamation experts on Guam have identified this project as critical to the improvement of the water system on Guam.

Description

This project involves the design and construction of 38,600 linear feet of 16-inch pipeline designed to increase delivery of water to the southern villages. If funding is provided for this project, a contract could be awarded in late November 1986, with actual construction to start by January 1987.

Benefits

This project will increase the delivery of water from the northern areas of the island to the southern villages. The problem of low water pressure or no water at all in the southern villages will be addressed, which will reduce the existing health threat. The probability of commercial and residential development in the southern villages will be increased. The efficiency of the water system will be increased, reducing operating costs and increasing revenues of the Public Utility Agency and thus, increasing the likelihood of future capital improvements to the water system from local revenues.

Cost of Completion

A. Cost Categories:

1. Construction........................	$2,900,000
2. Planning and Design................	290,000
3. Contingencies......................	310,000
Total Project Cost	$3,500,000

B. Sources of Funds:

Construction costs for this project will be completely funded by the FY 1987 Department of the Interior construction grant to Guam. The Government of Guam will be responsible for all contract administration and overhead costs and for continuing operation and maintenance of facilities after completion of the construction.

Justification of Program and Performance

Activity: American Samoa

(dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Operations Grants	($)	20,651	19,763	20,651	20,776	+ 125
	(FTE-T)	(3)	(3)	(3)	(3)	(--)
Construction Grants	($)	5,886	5,633	---	2,730	+2,730
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirement	($)	26,537	25,396	20,651	23,506	+2,855
	(FTE-T)	(3)	(3)	(3)	(3)	(--)

Each fiscal year,the Department provides grant funds to the American Samoa Government to supplement the operation of the local government, including the judiciary, and for capital improvement projects. During the past two years, the Department has been working closely with the American Samoa Government to shift non-governmental functions, such as the operations of drydocking, electrical power facilities, and other commercial activities, to the private sector. The Department is confident that, with sucessful completion of these privatization efforts, the American Samoa Government will attain a higher level of efficiency and self-sufficiency.

The general operations budget represents a current level of services. The $125,000 increase provides additional funding for the judiciary which has been operating at an artificially low level of new budget authority for the past two years in order to liquidate unobligated balances from prior years.

The requested capital improvement project funding is designed to increase opportunities for economic development, to complement the privatization program, and to enhance public safety.

Justification of Program and Performance

Activity: American Samoa
Subactivity: Operations Grants

(dollar amounts in thousands)

Program		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
General Operations	($) (FTE-T)	20,154 (--)	19,287 (--)	20,154 (--)	20,154 (--)	--- (--)
High Court	($) (FTE-T)	497 (3)	476 (3)	497 (3)	622 (--)	+125 (--)
Total Requirements	($) (FTE-T)	20,651 (3)	19,763 (3)	20,651 (3)	20,776 (3)	+125 (--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Operations Grants	20,651	-888	19,763

As a result of the $888 thousand in P.L. 99-177 reductions, fiscal responsibility will shift to the government of American Samoa to fund an increased proportion of government operations or to find ways to reduce the costs of government.

Authorization The Act of February 20, 1929, (45 Stat. 1253, 48 U.S.C. 1661).

Objectives To provide continued operational support for the American Samoa Government in order to promote the economic, social and political development of the territory of American Samoa, and to encourage increased efficiency in government programs and administration.

Base Program The base program provides Federal funding for support of the operations of the local American Samoa Government, including the judiciary. The Department of the Interior is committed to providing for a civil government in American Samoa until such time as Congress makes other provisions. The operations of the government that are supported by Department of the Interior funding include:

Education Services: The Department of Education is responsible for staffing, coordinating, implementing and evaluating instructional activities for early childhood, elementary, secondary, and vocational education in the territory.

Board of High Education: The Community College provides higher education for the first two years of college in subject areas such as communication, mathematics, science, humanities, business, teacher education, nursing, vocational trades, adult basic education and continuing education. There is only one college in American Samoa. High school graduates are encouraged to attend American Samoa Community College prior to seeking advanced training outside of the territory.

Health Services: The hospital serves as a general care facility, equipped and staffed to provide diagnostic and therapeutic services in the fields of general surgery, internal medicine, obstetrics and gynecology, pediatrics, communicable diseases, opthalmology, dental care and ambulatory care. Cases which require specialized treatment not available at the local hospital are referred to Tripler Army Medical Center in Honolulu, and other facilities off-island. Dispensary services are also available throughout American Samoa.

Port Administration: Port Administration serves to control the statutorily designated port of entry in American Samoa. The port also operates as a transshipment point in the South Pacific. In its organizational framework, Port Administration supervises the Customs, Harbor and Water Transportation Divisions. It is also responsible for the Pago Pago International Airport which operates as an enterprise fund and requires no funds from the Department of the Interior or local revenues.

Public Works: The Public Works Department provides for water, sewer, and solid waste disposal; provides for the construction and maintenance of all roads, sidewalks, seawalls and public buildings; conducts all government and other facilities planning; and oversees the administration of project contracts of the American Samoa Government.

Public Safety: The Department of Public Safety provides protection and security to citizens of American Samoa, provides protection for public and private properties, conducts and plans disaster readiness programs, provides security and rehabilitation programs for prison inmates, provides fire safety and prevention services, furnishes rescue services, and is responsible for vehicle registration, driver licensing and vehicle inspection.

Legal Affairs: In addition to performing the functions of chief prosecutor and legal advisor to the Government of American Samoa, the Attorney General's Office also provides for the control of all immigration functions in the territory and serves as Territorial Registrar for documents that require certification and preservation. In an election year, the Attorney General acts as the election commissioner.

Judicial Branch: The Judicial Branch consists of a High Court, a District Court, an Appellate Court and several village courts. The chief justice and associate justices of the High Court are Federal appointees. The judges are supported by clerical, professional and administrative staff. The High Court is both the court of original jurisdiction in most matters as well as the territorial appellate court of last resort.

A detailed summary of operations funding by program element is provided in Table 1. An estimate of local revenues and the application of these revenues to fund governmental operations is provided in Table 2.

Increase for FY 1987

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	20,651	20,776	+125
(FTE-T)	(3)	(3)	(--)

The proposed fiscal year 1987 general operations funding is the same as in fiscal year 1985. The requested increase of $125,000 reflects an increase in funding the Judiciary. For the past several years the budget request for the Judiciary has been artificially low because of the availability of a large unexpended balance from prior years.

Distribution of Change by Object Class

The object class detail of the proposed $125,000 increase is as follows:

	Amount
Grants, subsidies and contributions	+$125,000

TABLE 1

American Samoa
Operations Account

Disbtribution of Operations Grant by Program

(in thousands of dollars)

Program	1985 Actual	1986 Adjusted Appropriation	1987 Estimate	Inc.(+)/Dec.(-) 1987 over 1986
A. Education	5,679	5,435	5,679	+244
B. Higher Education	1,195	1,105	1,155	+50
C. Health Services	5,519	5,289	5,527	+238
D. Port Administration	761	728	761	+33
E. Public Safety	1,014	981	1,025	+44
F. Public Works	5,600	5,276	5,513	+237
G. Legal Affairs	494	473	494	+21
Subtotal General Operations	20,262	20,154	20,154	+867
H. High Court	514	476	622	+ 146
Total DOI Funding	20,776	19,763	20,776	+1,013
Total Local Funding for all Activities	20,107	17,456	19,999	+2,543
Total Other Federal Grants for all Activities	12,137	13,156	15,486	+2,330
Total Operations Budget	53,020	50,375	56,261	+5,886

TABLE II

Operations Account
Distribution of Local Revenues
(in thousands of dollars)

Activity	1985 Actual	1986 Estimate	1987 Request
Education	2,970	1,540	2,906
Higher Education	250	204	291
Health Services	3,587	2,086	2,173
Port Administration	310	264	218
Public Safety	775	596	431
Public Works	1,106	1,312	1,370
Legal Affairs	442	311	217
High Court	-0-	-0-	-0-
Total for Activities listed on Table I	9,440	6,313	7,606
Local Revenues for Activities not listed on Table I			
Public Information	865	776	903
Arts Council	47	47	-0-
TAOA	200	230	227
Agriculture	541	517	622
Development Planning/Tourism	449	461	451
Marine Resources	173	167	173
Environmental Protection	15	15	15
Parks & Recreation	285	301	361
Tramway	99	99	100
Governor's Office	1,265	1,500	1,456
Local Judiciary	182	201	196
Legislature	2,047	2,060	2,116
Administrative Services/ Material Management	2,478	2,703	1,828
Treasury	-0-	-0-	1,654
Local Government	783	810	786
Manpower Resources	515	490	611
Public Defender	118	122	139
Territorial Audit	318	290	318
Planning & Budget	287	354	437
Total Local Revenues	20,107	17,456	19,999

Justification of Progr am and Performance

Activity: American Samoa
Subactivity: Construction Grants

(dollar amounts in thousands)

		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Construction	($)	5,886	5,633	---	2,730	+2,730
Grants	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total	($)	5,886	5,633	---	2,730	+2,730
Requirements	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Construction Grants	5,886	-253	5,633

As a result of the $253 thousand in P.L. 99-177 reductions, the planned projects may have to be rescoped and completion dates may be delayed.

Authorization The Act of February 20, 1929, (45 Stat. 1253, 48, U.S.C. 1661).

Objectives To assist American Samoa in providing infrastructure improvements leading toward further economic, social, and political development; and to complement the ongoing privatization initiative.

Base Program The construction program for American Samoa is dedicated to the improvement of the basic infrastructure of the territory in the interest of furthering economic development through diversification and privatization. The Department believes that with these basic improvements and an aggressive economic development program, the territory has the potential to develop into a self-sufficient community.

Increase for FY 1987

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Request	Difference
($)	---	2,730	+2,730
(FTE-T)	(--)	(--)	(--)

In developing the FY 1987 request, the Department reviewed and selected for funding those projects which were determined to be the most critical to the territory and to the social well-being and safety of the people of American Samoa. The focus of economic development efforts continues to be the commercial port and the Tafuna industrial areas because of their potential for growth and development by business and industry. Consequently, funding is requested for expansion of the Tafuna industrial park and for water system improvements in the Tafuna and bay areas, as well as in other areas of the main island of Tutuila. In contemplation of future development, funds are requested for an environmental assessment and engineering feasibility study for a deepwater harbor at Pala Lagoon which borders the airport and the Tafuna industrial park. Also, funding is requested for expansion of current prison facilities to relieve overcrowding and provide for segregation of the inmate population. This is necessary in the interest of public safety and for rehabilitation of offenders.

Program Area	Amount
Tafuna Industrial Park Expansion	$ 630,000
Water System Improvements	1,050,000
Prison Expansion	750,000
Pala Lagoon Harbor Study	300,000
	$2,730,000

Distribution of Change by Object Class

The object class detail of the proposed $2,730,000 increase is as follows:

	Amount
Grants, subsidies and contributions	+$2,730,000

Justification for Construction

Activity: American Samoa
Subactivity: Construction Grants

	Total Estimated Cost	Total BA through FY 1986	FY 1987 Request
- Project Tafuna Industrial Park Expansion	$1,000,000	-0-	$630,000

Statement of Need The existing industrial park consists of 25 acres, subdivided into 29 individual lots of approximately one acre each. Currently, the park is 70 percent occupied, with an additional five lots being used by the American Samoa Department of Public Works. The Economic Development Administration of the Department of Commerce provided initial funding for the park, which was supplemented by local revenues.

The industrial park was conceived as a means to promote and implement a viable economic development program in American Samoa. Because of its geographic location, American Samoa is at a disadvantage, being so far removed from major markets for raw materials and final products. Also, the islands do not possess the natural assets and other economic attributes necessary to entice foreign investors to locate facilities there. Nevertheless, the increasing presence of the purse seiners, the expansion plans for the tuna canneries, and the successes of the privatization initiative present an encouraging economic outlook. Expansion of the park and development of the requisite infrastructure system will enable American Samoa to exploit and accommodate potential economic development and promote foreign investment. Further development of the park will strengthen American Samoa's ability to execute and sustain a diversified industrial development program in support of the long range goal of increased economic and financial independence for the territory.

Description The proposed expansion of the industrial park consists of the development of an additional ten acres. Planned improvements include subdivision of the land into twelve new lots and incorporation of the necessary infrastructure such as roads, sewers and storm drains, and water and power connections. The project is based on plans and cost estimates developed by the Army Reserve Community Unit out of Hawaii, in consultation with the American Samoa Government Department of Public Works. The FY 1987 request will provide initial funding for the project. The Department of the Interior believes that the remainder of the project should be funded by the American Samoa Government from rents received from occupants of the industrial park.

Benefits American Samoa's economy has long been dependent on the tuna canneries located there. The American Samoa Government is now focusing efforts on an economic diversification program which includes encouragement of foreign investment and strengthening of the private sector through divestiture of non-traditional government activities. Land and venture capital are major economic constraints which the government is working to eliminate. Expansion of the industrial park will open the door for establishment of new business ventures and expansion of existing businesses. This translates into creation of new employment opportunities for local residents and the generation of increased local revenues, further lessening the territory's dependence on Federal resources.

Cost of Completion

A. Cost Categories:

Site preparation	$194,000
Drainage improvement	94,000
Road base with paving	94,000
Water system	94,000
Sewer system	94,000
Electrical distribution system	60,000
Total project cost (FY 1987)	$630,000

B. Source of Funds:

The Department of the Interior will provide initial funding for the expansion of the industrial park through its FY 1987 budget request. The Department believes the remainder of the funding necessary to complete the project should be provided by the American Samoa Government from lease payments collected from developed and occupied lots. Revenue from leases should also cover the costs of administering the park and all operational and maintenance costs required of the government by the terms of the leases.

Justification for Construction

Activity: American Samoa
Subactivity: Construction Grants

	Total Estimated Cost	Total BA through FY 1986	FY 1987 Request
Project Water System Improvements	$1,050,000	-0-	$1,050,000

Statement of Need Tafuna plains is the fastest growing area of American Samoa, adding approximately 100 new homes and support businesses each year. Construction of adequate water storage facilities and new mainlines is necessary to keep pace with the rapid expansion. The area suffers from an acute lack of storage capacity which increases the potential for back siphonage, presenting a health hazard through system contamination. Increased storage capacity will improve service to residents and businesses, particularly during periods of power outages. Construction of new water mains is essential to the furtherance of economic development in the area. New mains will also reduce system maintenance costs while increasing revenues through the addition of new customers. Due to the close proximity of users, i.e. homes and businesses, this can be achieved with minimal capital outlay. Mainline construction will include low maintenance pipelines in the village of Vaitogi.

Planned improvements include extension of the water system to the eastern end of Tutuila, the main island of American Samoa. The area currently experiences frequent periods of inadequate or no water supply. The extension will conform to the 1981 U.S. Army Corps of Engineers water extension program and will ensure an adequate water supply to local schools and villages, including Nua and Se'etaga. System extension will increase the potential for economic development on the eastern end of the island and will increase government revenues.

Well drilling is required to replace four wells on the western end of the island that had to be abandoned due to high chloride content in the water. Replacement wells will allow the development of perched acquifers which will ensure maintenance of an adequate water supply, while reducing current pumping costs.

Necessary improvements in the bay area include installation of boosters to help fill existing storage tanks when sea level pressures exceed 60 psi. Currently, tanks are filled manually which does not provide for taking advantage of peak flow periods for fill up. Installation of boosters will increase reserve water in the bay area, which is the center of major industry in American Samoa.

Additional necessary improvements include installation of pressure reducing valves; security fencing for selected storage tanks; and improvements to roads accessing wells and storage tanks.

Description Proposed improvements to the water system on the main island of Tutuila include construction of mainlines and storage facilities in the Tafuna plains area; system extension to the eastern end of the island; drilling of replacement wells for the western end of the island; installation of boosters for filling storage tanks in the bay area; installation of pressure-reducing valves system-wide; security fencing for selected storage facilities; and improvements to roads accessing wells and storage tanks.

Benefit The objectives of these improvements are to provide expanded, improved, and more reliable service to all users of the water system; to improve and expand the existing infrastructure; to reduce the potential health hazard from deficiencies in the current system; to increase the efficiency and reduce costs of the water and power systems; to extend service to new users; to help ensure an adequate and safe water supply; and to improve and expand the potential for economic development.

Planned improvements will provide safe and reliable water service to 200 new individual customers, 2 elementary schools, and over 30 businesses. Service to the 300 residents in the Tafuna area will be improved, as will service to residents and businesses in the bay area. Expanded service will result in increased revenues of $30,000 per month for the American Samoa Government and storage capacity for the entire system will be improved.

Cost of Completion

A. Cost Categories

Well Drilling	$ 150,000
New Pipeline Construction	350,000
Boosters and System Upgrades	150,000
Storage Tanks	350,000
Contingency	50,000
Total Project Cost (FY 1987)	$1,050,000

B. Source of Funds

Planned improvements will be funded by the proposed FY 1987 grant from the Department of the Interior. The American Samoa Government will be responsible for project administration and all operations and maintenance costs incurred after completion of the project.

Justification for Construction

Activity: American Samoa
Subactivity: Construction Grants

	Total Estimated Cost	Total BA through FY 1986	FY 1987 Request
Project: Prison Expansion	$750,000	-0-	$750,000

Statement of Need The only correctional facility in American Samoa is in Tafuna on the main island of Tutuila, and was designed under an unrealistic assumption that economic, political, and social progress in the territory could be achieved while maintaining a virtually crime-free existance. The facility was built to accommodate a population of 50 minor offenders and petty criminals. Reports from the American Samoa Office of Public Safety indicate that the average daily inmate population has risen from 37 in 1979 to 80 in FY 1984, and ranges from juveniles, women, and first offenders, to dangerous and hardened criminals. The facility provides no means for segregating and isolating prisoners. Correctional officers are faced with the difficult task of trying to hold dangerous criminals secure and isolated in a facility not designed for that purpose. The inability to separate the inmate population poses a serious threat to public safety, and makes inmate counseling and rehabilitation efforts virtually impossible. Women are housed in separate quarters but reside within the same facility. This arrangement provides additional problems for the correctional officers. Living conditions in the cell houses are unsanitary because of the severe overcrowding.

Description The funds requested will be used to extend the existing facility and provide for multi-purpose units. These units will provide for segregation and isolation of women, non-violent offenders, and hard-core criminals. Separate quarters will be constructed to house juveniles and minors. In addition, two other facilities are to be constructed in Aun'u and Ta'u. These facilities will be smaller versions of the Tafuna prison, but not as intricately designed.

Benefits Escalation in economic, social, and political progress generates adverse social by-products that plague all developing societies, and American Samoa is no exception. The territory is faced with an increase in criminal activity in general, as well as a particularly alarming trend of increased criminal involvement by its youth. Expansion of the current facility to provide for secure and separate quarters for women, juveniles, lesser offenders, and hard-core dangerous criminals, will enhance control and security at the prison; improve public safety; eliminate overcrowding and unsanitary conditions; and improve the potential for rehabilitation of lesser offenders through counseling. The increased confinement and security will also serve to make the prison a less attractive alternative to those seeking a solution to their economic depravity.

The addition of two smaller facilities on the outer islands of Aun'u and Ta'u also will help with overcrowding and segregation of offenders.

Cost of Completion

A. Cost Categories

1. Construction

Tafuna Prison Extension	$500,000
Aun'u Prison	100,000
Ta'u Prison	150,000
Total Project Cost (FY 1987)	$750,000

B. Source of Funds

Design and construction costs will be funded from the proposed FY 1987 grant. The American Samoa government will be responsible for project administration and continuing operation and maintenance of the facilities.

Justification for Construction

Activity: American Samoa
Subactivity: Construction Grants

	Total Estimated Cost	Total BA through FY 1986	FY 1987 Request
Project: Engineering Feasibility and Environmental Assessment Study; Pala Lagoon	$300,000	-0-	$300,000

Statement of Need Major industry in American Samoa is centered around the Pago Pago harbor. This area is heavily utilized and congested, and offers limited potential for significant industrial or commercial expansion. In recognition of this, an industrial park was developed in Tafuna, adjacent to the airport and the Pala Lagoon. The primary drawback of the park is its lack of water transportation. Its only link with the harbor is a heavily traveled two-lane highway.

The territory's petroleum tank farm and fueling dock are located in the harbor area, adjacent to the only hotel on the island. Both of these operations are recognized safety hazards and need to be moved from the harbor area. One option under consideration is relocation of the tank farm to the industrial park and development of a barge/deepwater harbor at Pala Lagoon. This would eliminate the safety hazard and provide the park with the water transportation link necessary to attract major industry.

Several studies have been performed on the possibility of a Pala Lagoon project. The most recent study, "Preliminary Feasibility Assessment for a Pala Lagoon Harbor Development Project," was completed in May 1985. The study recommended that the biological impacts of dredging the lagoon be reassessed and that a determination be made as to whether a channel could be constructed which would increase (or at least not decrease) the flushing of the lagoon. The American Samoa Government established a committee to explore pursuing the project. After reviewing all relevant material, the committee concluded that further information was necessary to make a final definitive judgement on the merits of the project.

Description Requested funds will be used to conduct an engineering feasibility and environmental assessment study of developing a barge/deepwater harbor and dock facility at Pala Lagoon. The study will include both the basic design for the project and the environmental impacts. The engineering design will address the environmental impacts and concerns and, if feasible, will include plans for improving the lagoon environment.

Benefit Performance of this study will provide the additional information required to allow the American Samoa Government to make a final definitive judgement on whether or not to proceed with development of a Pala Lagoon project.

Cost of Completion

A. Cost Categories

Engineering Feasibility and Environmental Assessment Study, Pala Lagoon Project	$300,000
Total Project Cost (FY 1987)	$300,000

B. Source of Funds

The study will be financed by the proposed FY 1987 grant. The American Samoa Government will have responsibility for contracting, administration, and oversight of the study.

Justification of Program and Performance

Activity: Northern Mariana Islands

(dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Covenant Grants	($)	27,726	26,534	27,726	35,344	+7,618
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Other Construction	($)	3,330	3,187	---	---	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	31,056	29,721	27,726	35,344	+7,618
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Fiscal year 1985 was the seventh and final full year of the first funding period mandated by the "Covenant to Establish the Commonwealth of the Northern Mariana Islands" (P.L. 94-241). In 1984, the President and the Governor of the Northern Mariana Islands each appointed representatives to discuss and make recommendations for future funding assistance.

Discussions were conducted throughout fiscal year 1985. The result was an agreement reached between the representatives which has been transmitted for approval to Congress as a legislative proposal. The fiscal year 1987 budget request reflects this agreement.

The thrust of the agreement is to place a decreasing emphasis in the Northern Mariana Islands on Federal subsidies for government operations and a greater emphasis on economic development activities. This should result in improved government efficiency, privatization initiatives and an increasing private sector-oriented economic base. It should also preclude the need for further "ad hoc" construction project funding.

Justification of Program and Performance

Activity: Northern Mariana Islands
Subactivity: Covenant Grants

(dollar amounts in thousands)

Covenant Grants		1986 Enacted to Date	1986 Adjusted Appropriatcn	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Operations	($)	17,760	16,996	17,760	17,050	-710
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Capital Development	($)	8,466	8,102	8,466	18,294	+9,828
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Special Programs	($)	1,500	1,436	1,500	---	1,500
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	27,726	26,534	27,726	35,344	+7,618
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Covenant Grants	27,726	-1,192	26,534

As a result of the $1,192,000 in P.L. 99-177 reductions, additional fiscal responsibility for government operations will be transferred to the Northern Mariana Islands Government. The Northern Mariana Islands Government may be forced to implement efficiencies sooner than originally planned. This could result in some disruptions in government services or problems with employee morale.

Authorization P.L. 94-241. A Joint Resolution to Approve the Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America, Article VII, "United States Financial Assistance", 48 U.S.C 1681.

Objectives In accordance with the second multi-year financial assistance agreement, "Agreement of the Special Representatives on Future United States Financial Assistance for the Northern Mariana Islands", negotiated under the terms of the "Covenant to Establish a Commonwealth of the Northern Mariana Islands in Political Union with the United States of America", the Governments of the United States and the Northern Mariana Islands mutually agree that the goals of an improved standard of living and greater economic and financial independence for the Northern Mariana Islands can best be achieved through the promotion of economic development, the lessening of dependence on Federal financial assistance for government operations, and the reduction of the size of the government. In working towards these objectives, emphasis will be given to maximizing capital development through the use of public and private financing techniques.

Base Program In accordance with the terms of the Covenant, the United States provides direct multi-year financial support to the Government of the Northern Mariana Islands for local government operations, economic and capital development, and certain special programs. Section 702 of the Covenant guaranteed the Government of the Northern Mariana Islands direct Federal grant assistance for the first seven full fiscal years following its January 8, 1978, effective date.

The Covenant further provided that this formula was to remain in effect after the end of the initial period in September 1985, until a new agreement was approved by the Congress. During the 7 3/4 years covered by the initial agreement, $192,456,000 in direct Federal grant assistance was provided to the Northern Mariana Islands for government operations, and economic and capital development.

During FY 1985, appointed representatives from the Government of the Northern Mariana Islands and the Department of the Interior discussed and mutually agreed upon recommendations for a new multi-year financial assistance agreement which was presented to Congress for ratification. The new agreement covers a period of seven fiscal years beginning October 1, 1985, and ending September 30, 1992. The agreement provides for $228 million in direct Federal grant assistance to the Northern Mariana Islands for local government operations, economic and capital development and special programs. Payment will be made annually in accordance with the approved schedule, which demonstrates a commitment by the Government of the Northern Mariana Islands to the program objectives of greater capital development, decreased dependence on Federal financial assistance for government operations, and a reduction in the size of the government. Over the seven year period, Federal funding supporting government operations decreases by an average of approximately $1.0 million annually, while increased funding is provided for capital development. Capital development will proceed in accordance with a strategic seven-year, project-specific plan developed by the Government of the Northern Mariana Islands and approved by the Department of the Interior. Capital development is defined as basic and essential infrastructure such as power, water, sewers, roads, schools, ports and harbors, and public facilities. FY 1987 represents the second year of the new funding agreement.

Increase for FY 1987

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	27,726	35,344	+7,618
(FTE-T)	---	---	---

The increase is the result of increased emphasis on capital development (basic infrastructure and economic development) under the new multi-year financial assistance agreement. In FY 1987 funding for capital development will increase, while Federal funding in support of government operations decreases. Funding for special programs is eliminated in FY 1987, after one-time payments for specific programs in FY 1986.

Distribution of Change by Object Class

The object class detail for the proposed $7,618,000 increase is as follows:

	Amount
Grants, subsidies, and contributions	+$7,618,000

Summary of Covenant Funding

The following are the funding provisions of the proposed multi-year financial assistance agreement between the Government of the United States and the Northern Mariana Islands.

1. Full Faith and Credit. After approval of this Agreement by the Congress and the President of the United States, payments under this second multi-year financial assistance agreement shall be accorded the full faith and credit of the United States, except that the full faith and credit for the payment of government operations funds shall be subject to the performance standards (paragraph 4 of this Part) and settlement of disputes provisions contained in this agreement.

2. Schedule of Payments. The Government of the United States shall provide the Government of the Northern Mariana Islands $228 million over a seven-year period, beginning October 1, 1985, and ending September 30, 1992, to be appropriated according to the following schedule:

Fiscal Year	Capital Development	Government Operations	Special programs	Total
1986	$ 8,466,000	$ 17,760,000	$1,500,000	$ 27,726,000
1987	18,294.000	17,050,000	---	35,344,000
1988	18,000,000	16,360,000	---	34,360,000
1989	25,150,000	15,000,000	---	40,150,000
1990	20,850,000	13,000,000	---	33,850,000
1991	17,850,000	11,000,000	---	28,850,000
1992	17,390,000	10,330,000	---	27,720,000
Totals	$126,000,000	$100,500,000	$1,500,000	$228,000,000

When appropriated, funds shall be granted annually by the Department of the Interior according to such regulations as are applicable to such grants. All previous funds granted under Section 702 of the Covenant remain subject to the provisions and restrictions under which they were granted.

3. Capital Development.

a) The Government of the Northern Mariana Islands shall develop a seven-year strategic plan for capital improvement projects and economic development activities. At a minimum, eighty percent of the annual capital development funds identified in the schedule of payments shall be obligated and expended in accordance with such plan that shall provide for essential infrastructure through capital improvement projects in the areas of power, water, sewers, roads, schools, ports and harbors, and public facilities. The balance, not to exceed a maximum of twenty percent of such annual capital development funds, shall be obligated and expended in accordance with the provisions of such plan that shall provide for economic development activities. Such plan and amendments thereto shall be submitted in accordance with Northern Mariana Islands law and mutually agreed upon by the Government of the Northern Mariana Islands and the Secretary of the Interior, or his designee. The plan shall be project specific with sufficient detail to perform cost/benefit analyses and develop financing strategies and alternatives. The Government of the

Northern Mariana Islands shall establish a revolving fund, into which repayments of principal and interest from revenue-producing projects shall be deposited for financing of additional revenue-producing capital development projects. Interest earned on capital development funds before such funds are expended shall be treated as capital development funds; interest earned on moneys in the revolving fund shall become part of the revolving fund.

b) The payment of federally appropriated funds, backed by the full faith and credit of the United States, may be applied or directed by the Government of the Northern Mariana Islands (but such an application or direction by the Government of the Northern Mariana Islands shall not be a guarantee of payment by the United States, either directly or indirectly) for the repayment of debt instruments issued by the Government of the Northern Mariana Islands for capital development funds.

c) The islands of Rota and Tinian shall each receive no less than a 1/8 share and the island of Saipan shall receive no less than a 2/8 share of annualized capital improvement project funds which shall be no less than 80% of the capital development funds identified in the Schedule of Payments in paragraph 2 of this Part.

4. Government Operations. The full faith and credit of the United States for the payment of government operations funds shall be subject to fulfillment of the following performance standards during the entire seven-year period:

a) The Government of the United States shall provide $100.5 million in operations funds over the seven-year period in the annual amounts set forth in the schedule of payments. These annual funds shall be provided according to a separate payment schedule developed by the Government of the Northern Mariana Islands consistant with Federal regulations.

b) The Government of the United States, through its designee, subject to the availability of funds, and at the request of and in cooperation with the Government of the Northern Mariana Islands, shall provide technical assistance, including but not limited to the following purposes: (i) the development and operation of a financial management system, (ii) the development of a plan for the transfer to the private sector by the Government of the Northern Mariana Islands of those functions that can be privately owned and operated, (iii) the promotion of government efficiency, (iv) the improvement of Northern Mariana Islands business development capability, (v) the promotion of business development and marketing by the Government of the Northern Mariana Islands, and (vi) assistance in bonding and financing techniques to be used in capital development.

c) Representatives of both governments shall meet at least biennially to evaluate and discuss progress and achievements made under this agreement.

d) The Government of the Northern Mariana Islands shall demonstrate a decreasing reliance on Federal Covenant financial assistance for government operations by reducing such assistance by an average of $1 million a year during the seven-year period of this agreement, and by reducing the overall size of government. Capital development funds shall not be spent for government operations purposes.

e) The Government of the Northern Mariana Islands shall ensure continuation of an independent public agency that sets rates and fees for public utilities as described in Northern Mariana Islands Public Law 4-47. These services shall be fully funded, including both current expenses and long-term debt, without government subsidy through such user rates and fees by the end of the third year after this agreement is effective.

f) The Government of the Northern Mariana Islands shall ensure the continued administration of capital development funds by an autonomous public agency of the Northern Mariana Islands, as described in Northern Mariana Islands Public Law 4-49. Such administration shall include the coordination and approval of all public financing of capital improvement projects and economic development activities.

g) The Government of the Northern Mariana Islands shall obligate and expend those capital development funds to be devoted to capital improvement projects only according to definitions now contained in Northern Mariana Islands Public Law 4-46.

h) The Government of the Northern Mariana Islands, within three months after this agreement becomes effective, shall initiate a study and an implementation plan that shall ensure an actuarially sound, locally funded pension system for the Government of the Northern Mariana Islands by the end of the seven years after this agreement becomes effective. Alternative strategies to bring the pension system into actuarial balance and alternative time periods necessary to accomplish this objective shall also be analyzed. The plan shall be fully implemented within the seven years referred to above unless otherwise mutually agreed by representatives of the Government of the United States and the Government of the Northern Mariana Islands based on long-term financial considerations and sound governmental management.

i) The Government of the Northern Mariana Islands shall, within one year after this agreement becomes effective, develop a comprehensive plan for the transfer to the private sector of selected functions currently operated by the Government of the Northern Mariana Islands, and thereafter to the extent feasible, shall implement such transfers to the private sector.

5. Special Programs. The Government of the United States shall provide a one-time payment of $1 million for the Commonwealth Health Center operational start-up costs, and $500,000 for special technical assistance for developing a plan to fully fund the Government of the Northern Mariana Islands pension system. Should a portion of these pension study funds remain unexpended, the balance may be used for such technical assistance as the Government of the Northern Mariana Islands may determine.

COMMONWEALTH OF THE NORTHERN MARIANA ISLANDS

SCHEDULE OF PROJECTED GOVERNMENT OPERATIONS

FISCAL YEARS 1986 TO 1992

($000's)

	1986	1987	1988	1989	1990	1991	1992	TOTAL
LOCAL REVENUE								
TAXES	$18,116	$19,022	$19,973	$20,972	$22,021	$23,122	$24,278	$147,504
LICENSES & PERMITS	747	785	824	866	909	954	1,002	6,087
CHARGES FOR SERVICES	7,083	7,387	7,809	8,199	8,609	9,039	9,491	57,617
FINES AND FORFEITURES	487	511	537	564	592	621	653	3,965
MISCELLANEOUS	3,807	4,045	4,197	4,399	4,869	5,264	5,076	31,657
TOTAL LOCAL REVENUE	$30,240	$31,750	$33,340	$35,000	$37,000	$39,000	$40,500	$246,830
GOVERNMENT OPERATIONS EXPENDITURES								
PERSONNEL SERVICES	$27,490	$27,490	$28,590	$28,890	$28,890	$28,890	$29,500	$199,740
TRAVEL	810	810	810	810	810	810	810	5,670
EQUIPMENT RENTAL	100	100	100	100	100	100	100	700
PROFESSIONAL SERVICES	750	750	750	750	750	750	750	5,250
CAPITAL OUTLAY	900	1,100	900	900	900	900	900	6,500
MISCELLANEOUS	17,950	18,550	18,550	18,550	18,550	18,550	18,770	129,470
TOTAL GOVERNMENT OPERATIONS EXPENDITURES	$48,000	$48,800	$49,700	$50,000	$50,000	$50,000	$50,830	$347,330
FINANCIAL ASSISTANCE NEEDED FOR OPERATIONS	$17,760	$17,050	$16,360	$15,000	$13,000	$11,000	$10,330	$100,500
COVENANT FUNDS SHARE OF EXPENDITURES	37%	35%	33%	30%	26%	22%	20%	29%

NMI Covenant
First Funding Agreement

	Operations	EDLF	Construction	Total
FY 1978*	9,871	1,586	4,607	16,064
FY 1979	11,918	2,528	5,779	20,225
FY 1980	13,038	2,765	6,321	22,124
FY 1981	14,390	3,052	6,977	24,419
FY 1982	15,231	3,231	7,382	25,844
FY 1983	16,108	3,416	7,807	27,331
FY 1984	16,337	3,468	7,921	27,726
FY 1985	16,927	3,589	8,207	28,723
7 3/4 year Total	113,820	23,635	55,001	192,456
7 full-year Total	103,949	22,049	50,394	176,392

* Funding provided for only 3/4 year in 1978

Justification of Program and Performance

Activity: Virgin Islands
Subactivity: Construction Grants

(dollar amounts in thousands)

		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Construction	($)	1,988	1,903	---	2,900	+2,900
Grants	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Construction Grants	1,988	-85	1,903

As a result of the $85,000 in P.L. 99-177 reductions, the planned project may have to be rescoped and the completion date delayed. However, because this grant represents only a small portion of the total financing for the project, it is unlikely that the project will be adversely affected.

Authorization Public Law 97-357, 96 Stat. 1709 authorizes funding up to $10,000,000 for capital improvements to the Virgin Islands water system.

Objectives To provide funding assistance for capital improvements which will enhance the revenue collecting and economic development capability in the Virgin Islands.

Base Program The Department has not supported this type of funding assistance for the last two years. The Department believes some construction grant assistance is needed in FY 1987 to supplement the payments to the Virgin Islands from excise tax collections.

Increase for FY 1987

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	---	2,900	+ 2,900
(FTE-T)	(--)	(--)	(--)

The proposed budget for FY 1987 will fund completion of the replacement of a major water transmission line in Charlotte Amalie. Leakage from this line has resulted in a serious health hazard as well as significant loss of revenue to the Virgin Islands government.

Distribution of Change by Object Class

The object class detail of the proposed $2,900,000 increase is as follows:

	Amount
Grants, subsidies and contributions	+$2,900,000

Justification for Construction

Activity: Virgin Islands
Subactivity: Construction Grants

	Total Estimated Cost	Total BA through FY 1986	FY 1987 Request
Project Charlotte Amalie Water Distribution System	$2,900,000	-0-	$2,900,000

Statement of Need Potable water in the Virgin Islands is produced by desalination of sea water which makes it considerably more costly than mainland production. The distribution of potable water in the Virgin Islands is limited to specific service areas due to the widely scattered population and elevation factors. The Charlotte Amalie service area accounts for more than half the total water demand of St. Thomas.

Several studies have been conducted to assess the deficiencies in the Virgin Islands water system. The two major studies were conducted by CH2M Hill (Water Distribution Master Plan) and the Inspector General of the Department of the Interior (Audit of Billing and Collection Procedures for Potable Water). Both studies indicated that unaccounted-for water is the most serious problem and costs the Virgin Islands Government over $4.0 million a year. The studies found that over 50% of the water placed into the system is not billed, due primarily to water lost through leakage and faulty metering. The CH2M Hill study specifically estimates that 30 to 40 percent of the water pumped into the system is lost through leakage due to deteriorated or poorly installed pipelines.

Aside from the obvious financial concern, public health and safety are directly affected by the deficient water distribution system. Fire protection capability in the islands is currently provided using an independent salt water system which is very limited due to rapidly deteriorating pipelines. Also, the salt water has rendered more than half of the fire hydrants inoperable. The problems are further compounded because leakage from the salt water mains, which run adjacent to the potable system, accelerates the corrosion of the potable water lines. The CH2M Hill study suggests that a much more reliable fire protection capability could be achieved by fitting the potable system with fire hydrants and discontinuing use of the salt water system altogether.

Due to numerous leaks and frequent power failures, loss of pressure is common in the potable water distribution system. During periods of low pressure, pockets of raw sewage and ground water can seep through holes in the pipes and defective fittings and contaminate the system. Consumption of contaminated water can present a very serious health hazard. Recently, a similar situation may have been the cause of an outbreak of typhoid fever.

Total recommended improvements to the Charlotte Amalie service area, in accordance with the CH2M Hill study, include main pipeline replacement, storage tank construction, installation of fire hydrants and meters, and construction of a number of pump stations. The estimated cost of system improvements, including expansion, through 1990 is over $17.0 million. The current financial situation in the Virgin Islands precludes funding of water system improvements without Federal assistance.

Description The project would require the replacement and relocation of approximately 15,000 linear feet of existing water lines in the Charlotte Amalie service area.

Benefit The proposed improvements, together with projects currently underway in the Charlotte Amalie service area, will eliminate the majority of the serious leakage problems. This will greatly improve accountability and billing for the water distribution system, which will significantly increase revenues. Increased revenues will enable the Virgin Islands government to finance further rehabilitation of the water distribution system.

Relocation of the potable water lines away from the salt water system and sewage lines will decrease system deterioration and reduce the threat of contamination of the system through sewage infiltration. This will greatly reduce the health threat in the Charlotte Amalie service area, which is the most populated area and center of the Virgin Islands tourist industry.

Costs of Completion The estimated cost for the completion of the proposed renovations are as follows:

A. Cost Categories:

1. Construction	$2,900,000
Total Project Cost (FY 1987)	$2,900,000

B. Source of Funds:

Construction costs for this project will be entirely funded by the proposed FY 1987 construction grant from the Department of the Interior. The Virgin Islands Government will be responsible for all contract administration and overhead costs, as well as routine operations and maintenance after completion of construction.

Justification of Program and Performance

Activity: Territorial Administration

(dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Office of Territorial & International	($)	2,458	2,352	2,458	2,473	+ 15
Affairs	(FTE-T)	(38)	(38)	(38)	(43)	(+5)
Technical	($)	4,871	4,661	4,871	2,200	-2,671
Assistance	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Guam Power Authority	($)	8,428	8,066	1,646	1,606	- 40
Assistance	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total	($)	15,757	15,079	8,975	6,279	-2,696
Requirements	(FTE-T)	(38)	(38)	(38)	(43)	(+5)

The Office of Territorial and International Affairs (OTIA) provides policy direction, program coordination and budgetary support for the territorial programs. In fiscal year 1987, OTIA objectives concentrate on increasing efficiency and reducing the size of territorial governments; encouraging economic diversification through the investment of private capital; encouraging the shifting of commercial-type functions from the governments to the private sector; and improving financial accountability and responsibility within the territorial governments. The technical assistance program will play a key role in meeting these objectives. In recent years, this program has been instrumental in the enhancement of administrative functions in the territories.

The Office of Territorial and International Affairs has strived to improve its working relationships with the territories. It has been the objective of the office for the past several years to make its presence known in the territories, to perform on-site inspections of on-going construction and technical assistance projects, and to meet regularly with the territorial governments.

The increase of 5 FTE's represents the shifting of personnel resources from the Trust Territory government to the Office of Territorial and International Affairs. This is the result of increased responsibilities being undertaken by OTIA due to the phase-down of the Trust Territory Government.

The Omnibus Territories Act of 1984 (P.L. 98-454, 98 STAT. 1732), was signed into law on October 5, 1984. Section 203 of the Act required the Secretary of the Interior to guarantee the refinancing of an existing $36 million loan to the Guam Power Authority (GPA) from the Federal Financing Bank (FFB), and authorized to be appropriated to the Secretary of the Interior such sums as necessary to pay the repurchase payment required under the existing loan agreement, any subsequent repurchase payment that may be required, and the interest rate differential between the seven percent fixed rate guaranteed to GPA and the FFB interest rate.

Justification of Program and Performance

Activity: Territorial Administration
Subactivity: Office of Territorial and International Affairs

(Dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriation	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Office of Territorial & International	($)	2,458	2,352	2,458	2,473	+15
Affairs	(FTE-T)	(38)	(38)	(38)	(43)	(+5)
Total	($)	2,458	2,352	2,458	2,473	+15
Requirements	(FTE-T)	(38)	(38)	(38)	(43)	(+5)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Office of Territorial and International Affairs	2,458	-106	2,352

As a result of the $106,000 in P.L. 99-177 reductions, the Office of Territorial and International Affairs plans to defer the filling of several vacant positions.

Authorization Secretarial Order 3046, February 14, 1980, establishing the organization of the Assistant Secretary for Territorial and International Affairs.

Objectives

- Fulfilling the United States' fundamental commitment to encourage political, economic and social development of the emerging Micronesian governments and the U.S. territories;
- Working with territorial governments to increase private sector participation in heretofore government-run activities, to encourage economic diversification, and to enhance government efficiency;
- Advocating a more comprehensive and consistent treatment of the territories through Federal programs, and reasonable changes in regulations and laws applied to U.S. territories and the Trust Territory;
- Ensuring fiscal accountability and responsibility for the use of Federal funds in the territories;
- Providing a full range of technical assistance, including such areas as economic development, financial management and health care services, to the U.S. territories and the Trust Territory of the Pacific Islands.

Base Program The Office of Territorial and International Affairs provides policy direction, program coordination and budgetary support for all territorial programs.

The office is continuing to build upon program strategies that began in FY 1984. The privatization effort in the territories is gaining momentum. The Ronald Reagan Marine Railway in American Samoa has been turned over to the private sector and serves as an example of how the privatization concept can act to reduce the size of government while at the same time encourage and stimulate economic development and diversification. Other similar efforts are currently underway in American Samoa, and initiatives are beginning in the other territories.

Water system improvements in the territories will continue to be a priority for the office in FY 1987. Major construction projects are proposed for the Virgin Islands, Guam, and American Samoa. Through the technical assistance program, the office has stationed water experts from the Bureau of Reclamation on Guam and Saipan, who are working in cooperation with the Governments of Guam and the Northern Mariana Islands to improve the water systems in the two territories.

Health care in the territories will also continue to be a major focus of the office. A full-time person, along with additional staff assistance, is devoted to health care programs and issues in the territories. The office is also continuing its efforts of encouraging economic development and diversification in the territories through private investment. The foreign sales corporation initiative, which took place in FY 1985, was highly successful, as several hundred corporations have applied to establish representative offices in the territories.

The installation of financial management systems throughout the territories and Trust Territory has been beneficial. Other technical assistance projects are focusing on tax administration, procurement and contract administration, cash management and accountability and development of improved desk procedures for various administrative functions.

Increase for FY 1987

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	2,458	2,473	+ 15
(FTE-T)	(38)	(43)	+ 5

The proposed increase of $15,000 and five (5) FTE's would be used to augment the budget and grants administration staff and to improve technical assistance and territorial liaison capabilities.

Distribution of change by object class

The object class detail for the proposed $15,000 increase is as follows:

	FTE	Amount
Personnel compensation	5	15,000
Total		15,000

Justification of Program and Performance

Activity: Territorial Administration
Subactivity: Technical Assistance

(dollar amounts in thousands)

Program		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Technical Assistance	($) (FTE-T)	4,871 (--)	4,661 (--)	4,871 (--)	2,200 (--)	-2,671 (--)
Total Requirements	($) (FTE-T)	4,871 (--)	4,661 (--)	4,871 (--)	2,200 (--)	-2,671 (--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Technical Assistance	4,871	-210	4,661

As a result of the $210,000 in P.L. 99-177 reductions, certain technical assistance projects will not be undertaken or will be deferred to future years.

Authorization Public Law 96-597, section 601, authorized and urged the Secretary of the Interior to provide technical assistance in the form of "research, planning assistance, studies, and demonstration projects" to the territories through Departmental staff, reimbursements to other departments, grants, cooperative agreements, or "the employment of private individuals, partnerships, or corporations." (48 U.S.C. 1469d).

Objectives To provide for a coordinated, cohesive technical assistance program that will improve the entire range of local territorial governmental operations.

Base Program The Federal technical assistance function serves to bring U.S. experts and U.S. companies in contact with the territorial governments where they are needed. The technical assistance staff fulfills the following functions: (1) Analyzes the territorial governments' technical assistance requests; (2) Assists the territorial governments in locating private or government experts who can perform the needed temporary services; (3) Provides financial support to the territorial governments for the assistance; and (4) Coordinates with the territorial governments to guarantee that the private contractors are given the aid necessary to complete the work; that the territorial governments permit the contractors to do the work; that the contractors do, in fact, complete the work; and that the recommendation or results of the work are integrated into the territories' long-range budgets and Federal assistance plans.

The Assistant Secretary has established, as a cornerstone for implementing territorial policy, an intensified program of technical assistance to improve the territorial governments capabilities in such areas as financial management, systems development, economic development, public works, health, education, communications, and public safety.

Change for FY 1987

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	4,871	2,200	-2,671
(FTE-T)	(--)	(--)	(--)

Distribution of Change by Object Class

The object class detail for the proposed $2,671,000 decrease from the FY 1987 Base is as follows:

	Amount
Grants, subsides and contributions	-$2,671,000

The proposed decrease from the 1987 base reflects continuation of a large number of ongoing multi-year technical assistance projects and the existance of an unobligated balance from prior year budget authority.

The technical assistance program has been funded during the past 4 years with total resources of over $14 million. The initial thrust of the program concentrated on the installation of financial management systems in the territories and Micronesian governments. The FY 1986 and FY 1987 goals focus on the enhancement of economic development in the territories. The office will continue to contact private sector groups and encourage them to investigate the benefits of doing business in the territories, especially under the changes provided under Headnote 3-A. The technical assistance staff will explore sources of private sector capital and encourage the island governments to shift government-operated functions to the private sector. Other areas of emphasis will be improvement of construction management, government organization, health care, transportation and communications management.

Also in FY 1987, the technical assistance staff will continue to contact other Federal agencies to coordinate and consolidate efforts to maximize the benefits obtained through the use of all Federal funds.

A summary status report of technical assistance projects which have been funded or committed through December 31, 1985 follows.

STATUS REPORT ON TECHNICAL ASSISTANCE PROJECTS
as of December 31, 1985

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
I. FINANCE		
A. Financial Management Systems	Federated States of Micronesia	2,174,900
	Marshall Islands	592,600
	Republic of Palau	500,000
	Trust Territory of the Pacific Islands	335,000
	Virgin Islands	330,000
	American Samoa	250,000
	Northern Mariana Islands	550,000
B. Hire Technical Assistance Advisor to Operate and Maintain System	Federated States of Micronesia	160,000
	Republic of Palau	40,000
	Marshall Islands	80,000
	Trust Territory Headquarters	200,000
	Northern Mariana Islands	40,000
C. Training for Audit & Budget Staff	Guam	94,600
Training in General Accounting	American Samoa	26,500
Development of Finance Manual (Desk Procedures)	American Samoa	25,000
Budget Procedures Development	Federated States of Micronesia	25,000
Training Revenue Agents	Northern Mariana Islands	12,100
Revenue & Tax Training	Guam	12,250
D. Hire two (2) ADP Specialists	Republic of Palau	55,000
E. Automated Records System	Northern Mariana Islands	25,000
Computer Tape Library Improvement	Guam	25,000

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
F. Tax Information System	Guam	150,000
Training Program for Revenue & Tax Officials	Guam	30,000
Auditor Training by Inspector General Office - travel	Guam	3,515
Computerization of Income Tax Returns	Virgin Islands	128,982
Special Legal & Audit Services	Virgin Islands	20,000
Hire Treasury Officer	American Samoa	30,000
Tax Law Review	Republic of Palau	9,440
Hire Tax & Revenue Administrator	Federated States of Micronesia	40,000
Banking Procedures	Marshall Islands	18,200
General Ledger Oversight	Federated States of Micronesia	10,000
	TOTAL, FINANCE	$5,993,087
II. HEALTH		
A. Medical Specialist	Federated States of Micronesia	100,000
Sanitation Sepcialist	" " "	50,000
Lab. Technician	" " "	11,193
Health Management/Hospital Advisor	" " "	40,000
Staffing Plans for Operations & Maintenance of New Hospital Facility	Northern Mariana Islands	125,000
Hospital Staffing	Northern Mariana Islands	100,000
Training School for Medical Officers	Federated States of Micronesia	130,000
Upgrading of the Nursing Program/ Development of a Procedural Manual for Nurses	Northern Mariana Islands	25,000
Improved Billing & Collection Operations	Northern Mariana Islands	42,000
B. Medical Referral Programs	Marshall Islands	30,000
Development of Hospital Financial & Administrative Systems	Northern Mariana Islands	25,000
Medical Referral Study	American Samoa	5,000
Health Care Delivery Assessment	Marshall Islands	7,570
Medical Referral Liaison	Federated States of Micronesia	25,000
Hospital Transition	Marshall Islands	150,000

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
Computerize Medical Supplies and Billings	Republic of Palau	31,000
Health Insurance Program	Federated States of Micronesia	40,000
Transcultural Nursing Seminar	Virgin Islands	30,000
Pacific Territories Medical Referral Clearing House	All Pacific Territories	144,000
C. Construction of Sewage Collection Systems & Related Appurtenances	American Samoa	15,000
	Northern Mariana Islands	15,000
	Guam	15,000
	Trust Territory of the Pacific Islands	15,000
Public Health Service/Hansens Disease	Trust Territory of the Pacific Islands	50,000
	TOTAL, HEALTH	$1,220,763
III. ECONOMIC DEVELOPMENT		
A. Sea Transportation Study	Federated States of Micronesia	125,000
Study on Feasibility of Dredging Agana Bay	Guam	25,000
Business Development Assessment	Marshall Islands	6,780
Demonstration Projects in Small Business Development	Federrated States of Micronesia	25,000
Marketing Development Demonstration	Federated States of Micronesia	50,000
Business Development Workshop	Virgin Islands	16,000
Privatization Commission	American Samoa	41,173
Marine Railway Studies	American Samoa	51,000
Marketing Brochure	Northern Mariana Islands, American Samoa and Guam	54,500
Micronesian Tourism	Trust Territory of the Pacific Islands	25,000
One Stop Development Permit Process	Guam	15,000
Micronesian Business Assistance	Guam	20,000
Development of American Samoa Tourism Publication	American Samoa	21,000
Foreign Sales Corporation Support	Guam	60,000
Business Development workshop	Guam	10,600
Deer Farming Feasibility Evaluation	Guam	5,000
Civil Aviation Directorate	Marshall Islands	35,000
Economic Development Newsletter	Federated States of Micronesia	50,000

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
Industrial Development & Financial Investment Advisors	Northern Mariana Islands	30,000
Tourism Development Project	Northern Mariana Islands	2,000
Industrial Development & Foreign Sales Corporation	Virgin Islands	50,000
Tourism Training Needs Assesments	Virgin Islands	10,000
Privatization Activities	Northern Mariana Islands, Guam and American Samoa	215,000
Business Development Workshop	Northern Mariana Islands, Guam and American Samoa	50,000
Pacific Basin Tourism	Northern Mariana Islands, Guam and American Samoa	10,900
Business Development Workshop	Northern Mariana Islands	10,000
Develop Marketing Strategies	Northern Mariana Islands	50,000
Melon Fly Eradication	Northern Mariana Islands	40,000
Taro Product Development	American Samoa	32,819
Business Development Workshop	American Samoa	10,000
Marketing Foreign Sales Corporation	American Samoa	30,000
Air Transportation Study	Trust Territory of the Pacific Islands	10,000
Micronesian Regional Tourism Council	Trust Territory of the Pacific Islands	26,310
Business Development Workshop	Trust Territory of the Pacific Islands	3,402
DOT Air transportation Study	Trust Territory of the Pacific Islands	15,000
Business Development Workshop travel	Northern Mariana Islands, Guam and American Samoa	25,000
Industrial Development Bond Program	American Samoa	30,000
Business Expeditor	American Samoa	20,000
Tourism Development Project	Guam	2,000
B. Hire Banking Regulations Advisor	Northern Mariana Islands	56,000
Hire Horticulture Specialist	Federated States of Micronesia	25,000
C. Long Range Revenue Forecasting	American Samoa	25,000
St. Croix Airport Planning	Virgin Islands	450,000
	TOTAL, ECONOMIC DEVELOPMENT	$1,864,484

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
D. Establishment & Training for a Park Maintenance System	Guam	30,000
E. Operations & Maintenance Review	Trust Territory of the Pacific Islands	475
F. CIP Construction Training	Trust Territory of the Pacific Islands	50,000
	TOTAL, MAINTENANCE	$260,475
VI. GENERAL GOVERNMENT		
Carribbean Center	Virgin Islands	150,000
Support American Samoa Vessel	American Samoa	26,000
Word Processing System (High Court)	Trust Territory of the Pacific Islands	11,441
Procurement Study	American Samoa	17,000
Weights & Measure Program Study	Guam	20,000
Weather Service Station	Northern Mariana Islands & guam	36,000
Training/Evaluation in Land Acquisition	Guam	10,000
Training for Real Estate Appraisers	Guam	10,000
Land Rights Attorney	Republic of Palau	4,200
Land Appraisal Update	Republic of Palau	20,000
National Planner	Republic of Palau	40,000
Land Survey	Republic of Palau	25,000
Organization & Pay System Study	Republic of Palau	45,000
City Management Ebeye	Marhsall Islands	5,880
Management & Administrative Improvement	Marshall Islands	50,000
Evaluation of Existing Federal Programs	Federated States of Micronesia	60,000
Preparation on Civil Aviation	Marshall Islands	87,000
Hire Physical Planner	Marshall Islands	90,000
Communications Advisor	Marshall Islands	50,000
Communications Advisor	Republic of Palau	75,000
Information Broadcast Training	Federated States of Micronesia	15,000
Employment Development Specialist	Federated States of Micronesia	50,000
Communications Advisor	Federated States of Micronesia	150,000
Communications Advisor Renewal	Federated States of Micronesia	100,000
Procurement Regulations & Procedures	Northern Mariana Islands	40,000
Marine Fire & Safety Inspection Training	Trust Territory of the Pacific Islands	12,500
Law Enforcement Training	Trust Territory of the Pacific Islands	66,528
Police Chief Conference	Trust Territory of the Pacific Islands	5,000
Fire Training	Trust Territory of the Pacific Islands	76,500

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
IV. ENERGY		
A. Hire a Diesel Power Plant Specialist	Northern Mariana Islands	30,000
Hire a Water Specialist	American Samoa	18,000
Hire a Technical Advisor to Serve as Executive Director of American Samoa Power Authority & Advisor to OTIA for Power Projects	American Samoa	181,000
Operator Training (Power Authority)	American Samoa	7,000
B. Study of Potential Water Resources Development	Guam	150,000
Bureau of Reclamation Water Study	Guam	150,000
Development of a Geological Data Base	Virgin Islands	225,000
Water Resources Study	Marshall Islands	80,750
Survey for Metal Enriched Crusts & Modules	Marshall Islands	150,000
Water Resources - Engineer	Guam	145,000
Power Study	Federated States of Micronesia	4,030
Water Resources Study	Northern Mariana Islands	15,000
Water System Improvement Study	Northern Mariana Islands	100,000
Hydro-Power Study	Federated States of Micronesia	10,000
Truk Power Evaluation & Repair	Federated States of Micronesia	25,000
Power Plant Project	Federated States of Micronesia	25,000
Kosrae Micro-Hydro Project	Federated States of Micronesia	10,000
USGS-Palau Mineral Deposits Evaluation	Republic of Palau	17,000
	TOTAL, ENERGY	$1,342,780
V. MAINTENANCE		
A. Engineering & Maintenance Advisor	Federated States of Micronesia	90,000
B. Maintenance System for Public Buildings & Facilities	Guam	40,000
C. Park Maintenance & Management System	Guam	50,000

PROJECT AREA/ DESCRIPTION OF PROJECT	TERRITORY	FUNDS COMMITTED
Law Enforcement Training	Trust Territory of the Pacific Islands	43,000
Archiving of Records	Trust Territory of the Pacific Islands	50,000
Taxation Legal Council	Virgin Islands	10,000
Wage Survey/Determination Training	Guam	25,000
Dunn & Bradstreet Service	Guam, Northern Mariana Islands	9,045
Police Academy	Trust Territory of the Pacific Islands	89,750
Archives Training	Trust Territory of the Pacific Islands	10,000
Training Regulatory Examiners	Guam	20,000
College of Micronesia	Trust Territory of the Pacific Islands	30,000
Miscellaneous costs	All Territories	798,791
	TOTAL, GENERAL GOVERNMENT	$2,433,635

GRAND TOTAL – Summary by Project Area

I.	FINANCE	5,993,087
II.	HEALTH	1,220,763
III.	ECONOMIC DEVELOPMENT	1,864,484
IV.	ENERGY	1,342,780
V.	MAINTENANCE	260,475
VI.	GENERAL GOVERNMENT	2,433,635
	TOTAL	$13,115,224

Justification of Program and Performance

Activity: Territorial Administration
Subactivity: Guam Power Authority Loan Assistance

(dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Guam Power Authority Assistance	($)	8,428	8,066	1,646	1,606	- 40
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	8,428	8,066	1,646	1,606	- 40
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Guam Power Authority Loan Assistance	8,428	-362	8,066

As a result of the $362,000 in P.L. 99-177 reductions, the Department will not be able to meet its interest rate subsidy due to the Federal Financing Bank in September 1985, and will begin to accrue penalty interest. The interest rate subsidy and penalty interest must be paid at some point to keep the Guam Power Authority from being declared in technical default on their loan.

Authorization: The Omnibus Territories Act of 1984 (P.L. 98-454, 98 STAT. 1732) Section 203.

Objective: To guarantee the refinancing of an existing $36 million loan to the Guam Power Authority (GPA) by the Federal Financing Bank (FFB).

Base Program: Section 203 of P.L. 98-454 provides that subject to certain conditions, FFB shall, at the request of the GPA, repurchase the existing GPA note of December 31, 1980. Section 203 further authorizes the Secretary of the Interior to pay the FFB the repurchase premium required to liquidate that existing note. The note was repurchased on December 3, 1984, with the cost of the premium totaling $4,750,554.29.

In addition, Section 203 authorizes the appropriation to the Secretary of the Interior such sums as are necessary to pay to the FFB the interest rate differential between the seven percent rate to be paid by the GPA under the second refinancing agreement and the interest rate that would otherwise be determined in accordance with Section 6 of the Federal Financing Bank Act (12 U.S.C. 2285). An interest rate of 11.731 percent was in effect on the repurchase date of December 3, 1984.

The interest rate differential due to the Federal Financing Bank from fiscal year 1985 through the life of the loan is as follows:

1985 - 1,328,766.16
1986 - 1,646,241.54
1987 - 1,605,550.39
1988 - 1,561,167.78
1989 - 1,505,174.13
1990 - 1,457,678.78
1991 - 1,386,494.73
1992 - 1,327,118.09
1993 - 1,259,127.14
1994 - 1,186,495.56
1995 - 1,108,659.94
1996 - 1,031,122.09
1997 - 934,171.60
1998 - 841,458.25
1999 - 739,472.15
2000 - 632,213.25
2001 - 511,301.17
2002 - 387,638.06
2003 - 284,892.02
2004 - 112,819.44

Decrease for FY 1987 (dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	$1,646	1,606	-40
(FTE-T)	(--)	(--)	(--)

The decrease of $40,000 from the FY 1987 Base is due to the declining loan principle and associated interest payments. This will occur each year for the life of the loan.

Distribution of change by Object Class

The object class detail of the proposed $40,000 decrease is as follows:

	Amount
Grants, subsidies and contributions	-$40,000

Summary of Requirements by Object Class
(Dollar amounts in thousands)

Appropriation: Administration of Territories

Object Class	1987 Base FTE	1987 Base Amount	1987 Estimate FTE	1987 Estimate Amount	Inc. (+) Dec. (-) FTE	Inc. (+) Dec. (-) Amount
11. Personnel Compensation:						
11.1 Permanent positions - FTE-P	37	1,421	42	1,636	+5	+ [illegible]
11.3 Positions other than permanent	4	50	4	50	---	-----
11.5 Other personnel compensation	---	10	---	10	---	-----
Total personnel compensation	41	1,481	46	1,696	+5	+ [illegible]
Other Objects						
12.1 Personnel benefits		276		276		-----
21.0 Travel & transportation of persons		490		490		-----
22.0 Transportation of things		10		10		-----
23.1 Rental payments GSA		211		211		-----
23.2 Other rent, comm., and utilities		120		120		-----
24.0 Printing and reproduction		50		50		-----
25.0 Other services		600		600		-----
26.0 Supplies and materials		15		15		-----
31.0 Equipment		40		40		-----
41.0 Grants, subsidies & contributions		[illegible]		[illegible]		[illegible]
Total requirements		[illegible]		[illegible]		[illegible]

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Program and Financing (in thousands of dollars)

14-0412-0-1-806	[illegible]	[illegible]	[illegible]
Program by activities:			
Direct Program:			
1. Guam:			
(a) Construction grants	5,410	4,383	3,500
2. American Samoa:			
(a) Operations grants	27,927	20,776	20,776
(b) Construction grants	5,069	5,922	2,730
(c) Special program grants	980		
3. Virgin Islands:			
(a) Construction grants	---	---	2,900
(b) Special Program grants	490	---	---
(c) Airport Loan		2,000	
4. Northern Mariana Islands:			
(a) Covenant grants	28,723	27,726	35,344
Other construction grants	8,207	3,350	---
5. Northern Mariana Federal Laws Commission	173	---	---
6. Territorial Administration:			
(a) Office of Territorial and International Affairs	2,344	2,473	2,473
(b) Technical Assistance	4,099	4,900	2,200
(c) Guaranteed Loan Assistance	---	8,446	1,606
Total direct program	83,844	80,176	71,529
Reimbursable program	5,482	2,000	2,000
10.00 Total obligations	89,326	82,176	73,529
Financing			
11.00 Off-setting collections from Federal funds	-5,481	-2,000	-2,000
21.40 Unobligated balance available start of year	-13,631	-7,439	-6,957
24.40 Unobligated balance available end of year	7,439	6,957	6,957
25.00 Unobligated balance lapsing	209	---	---
39.00 Budget authority	77,444	79,694	71,529
Budget Authority:			
40.00 Appropriation	77,444	80,176	71,529
40.00 Reduction pursuant P.L. 99-177	---	-482	---
43.00 Appropriation (adjusted)	77,444	79,694	71,529

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Program and Financing (in thousands of dollars)

Identification code 14-0412-0-1-806	1985 actual	1986 estimate	1987 estimate
Relation of obligations to outlays:			
71.00 Obligations incurred, net	83,844	80,376	71,529
72.40 Obligated balance, start of year	38,574	42,592	27,046
74.40 Obligated balance, end of year	-42,592	-27,046	-10,933
77.00 Adjustment in expired account	---	---	---
90.00 Outlays	79,826	95,922	87,642

Type size 8 point 25 picas (See 1%) Red underscore Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES
Gramm-Rudman-Hollings Impact

Program and Financing (in thousands of dollars)

Identification code 10-82-0412-6-1-806	1985 actual	1986 estimate	1987 estimate
10.00 Total obligations		-3,435	
40.00 Budget Authority (Appropriation)		-3,435	
Relation of obligations to outlays:			
71.00 Obligations incurred, net		-3,435	
72.40 Obligated balance, start of year			-647
74.40 Obligated balance, end of year		647	
90.00 Outlays		-2,788	-647

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TIA-71

Type size
8 point 22 picas
Case 150
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Object Classification (in thousands of dollars)

Identification code 14-0412-0-1-806	1985 actual	1986 estimate	1987 estimate
Direct Program:			
Personnel compensation:			
11.1 Full-time permanent	1,477	1,600	1,636
11.3 Positions other than full-time	166	50	50
11.5 Other personnel compensation	8	10	10
11.9 Total personnel compensation	1,651	1,660	1,696
12.1 Personnel benefits: civilian	277	270	276
21.0 Travel and transportation of persons	407	520	490
22.0 Transportation of things	2	7	10
23.1 Standard level user charges	148	158	211
23.2 Communications, utilities, and other rent	114	120	120
24.0 Printing and reproduction	48	50	50
25.0 Other services	598	600	600
26.0 Supplies and materials	15	15	15
31.0 Equipment	56	65	60
41.0 Grants, subsidies, and contributions	80,528	76,911	68,001
99.0 Subtotal, direct program	83,844	80,376	71,529
Reimbursable program:			
Personnel Compensation:			
11.1 Full-time	607	461	432
11.5 Other personnel compensation	84	64	57
12.1 Personnel benefits: civilian	--	15	5
21.0 Travel and transportation of persons	67	51	47
25.0 Other services	4,724	1,424	1,464
41.0 Grants, subsidies, and contributions			
99.0 Subtotal, reimbursable programs	5,482	2,000	2,000
99.9 Total Obligations	89,326	82,376	73,529
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

TIA-72

Type size
8 point 22 picas
Case 190
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-107

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Personnel Summary

Identification code 14-0412-0-1-806	19 85 actual	19 86 estimate	19 87 estimate
Direct:			
Total number of full-time positions	51	41	46
Total compensable workyears:			
Full-time equivalent employment	51	41	46
Full-time equivalent overtime	--	--	--
Reimbursable:			
Total number of full-time positions	3	3	3
Total compensable workyears:			
Full-time equivalent employment	1	1	1
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

Appropriation Summary Statement

Territorial and International Affairs

Appropriation: Trust Territory of the Pacific Islands

The FY 1987 budget for the Trust Territory of the Pacific Islands includes funding only for continued operations of the Trust Territory government and the Republic of Palau. A Compact of Free Association for the Federated States of Micronesia and the Republic of the Marshall Islands has been enacted in FY 1986. Funding for the Compact is provided elsewhere in this budget.

This budget does not include any funding for new construction in the Trust Territory. The Department believes that the United States has met and exceeded its commitment for pre-Compact construction of capital improvements. While there will be a continuing need for improvements to the capital infrastructures, this need should be met through funding provided in the capital accounts under the Compact.

Major activities of this appropriation are:

1. Trust Territory Operations. This activity includes funding for Trust Territory Administration, the College of Micronesia, and Satellite Communications. The budget request for FY 1987 is a decrease of $2,939,000. The decrease is due to the gradual phase down of the Trust Territory government, which in FY 1987 will only perform necessary services for the Republic of Palau, and the assumption that the College of Micronesia and Satellite Communications will begin to receive funding awarded to the Federated States of Micronesia and the Republic of the Marshall Islands under the Compact of Free Association.

2. Republic of Palau Operations. The FY 1987 budget request for the Trust Territory of the Pacific Islands includes continued funding for this activity since the Compact of Free Association does not include Palau at this time. Requested funding will remain at the FY 1985 level. As in previous budgets, requested funding is intended to supplement local revenues and provide for all operating programs of the government including health, education, public safety and public works.

Appropriation Language Sheet

DEPARTMENT OF THE INTERIOR
TERRITORIAL AND INTERNATIONAL AFFAIRS

TRUST TERRITORY OF THE PACIFIC ISLANDS

For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for governmental functions; [$80,372,000, of which $70,922,000 is for operations, and $9,450,000 is for construction] $13,050,000, to remain available until expended: Provided, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834): Provided further, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration. (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Appropriation Language Citations

Territorial and International Affairs

Appropriation: Trust Territory of the Pacific Islands

1. For expenses necessary for the Department of the Interior in administration of the Trust Territory of the Pacific Islands pursuant to the Trusteeship Agreement approved by joint resolution of July 18, 1947 (61 Stat. 397), and the Act of June 30, 1954 (68 Stat. 330), as amended (90 Stat. 299; 91 Stat. 1159; 92 Stat. 495), grants for the expenses of the High Commissioner of the Trust Territory of the Pacific Islands; grants for the compensation and expenses of the Judiciary of the Trust Territory of the Pacific Islands; grants to the Trust Territory of the Pacific Islands in addition to local revenues, for support of governmental functions; [$79,890,000] $13,050,000, to remain available until expended:

48 U.S.C. 1681 (note)
48 U.S.C. 1683
48 U.S.C. 1682

48 U.S.C. 1681 (note) provides that "There is authorized to be appropriated for fiscal years after fiscal year 1980, such sums as may be necessary,..."

2. Provided, That all financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended, and the Accounting and Auditing Act of 1950 (64 Stat. 834):

48 U.S.C. 1683 provides that "All financial transactions of the Trust Territory, including such transactions of all agencies or instrumentalities established or utilized by such Trust Territory, shall be audited by the General Accounting Office in accordance with the provisions of the Budget and Accounting Act, 1921 (42 Stat. 23), as amended [3 U.S.C.A. et seq.], and the Accounting and Auditing Act of 1950 (64 Stat. 834) [31 U.S.C.A. 65 et seq.].

3. Provided further, That the government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration.

48 U.S.C. 1682 provides that "The government of the Trust Territory of the Pacific Islands is authorized to make purchases through the General Services Administration."

Summary of Requirements

Appropriation: Trust Territory of the Pacific Islands

($ in thousands)

	FTE-T	Amount	FTE-T	Amount
Appropriations currently available, 1986			10	79,890
FY 1986 P.L. 99-177 Sequestration				-3,435
Adjusted FY 1986 Appropriation				76,455
Adjustments to base:				
Adjustment for 1986 Impact of P.L. 99-177		+3,435		
Decrease for "ad hoc" construction and special programs grants:				
Adjustment for capital improvement projects funded in 1986		-9,393		
Adjustment for Bikini Resettlement funded in FY 1986		-1,739		
Total, adjustment to base			—	-7,697
1987 Base Budget			10	68,758
Program changes (changes to base budget, detailed below)			-5	-55,708

Comparison by Activity/Subactivity	1985 Actual FTE-T	1985 Actual Amount	1986 Enacted to Date FTE-T	1986 Enacted to Date Amount	P.L. 99-177 Reduction FTE-T	P.L. 99-177 Reduction Amount	1986 Adjusted Appropriation FTE-T	1986 Adjusted Appropriation Amount	1987 Base FTE-T	1987 Base Amount	1987 Estimate FTE-T	1987 Estimate Amount	Inc. (+) Dec. (-) from 1986 Appropriation FTE-T	Inc. (+) Dec. (-) from 1986 Appropriation Amount	Inc. (+) Dec. (-) from 1986 Adjusted Appropriation FTE-T	Inc. (+) Dec. (-) from 1986 Adjusted Appropriation Amount	Inc. (+) Dec. (-) from 1987 Base FTE-T	Inc. (+) Dec. (-) from 1987 Base Amount
1 Trust Territory Operations																		
General Administration	15	3,647	10	2,137		-91	10	2,046	10	2,137	5	1,650	-5	-487	-5	-396	-5	-487
Judiciary		402		298		-13		285		298		250		-48		-35		-48
Prior Service Benefits		392		390		-17		373		390		100		-290		-273		-290
Medical Referrals		833		---		---		---		---		---		---		---		---
College of Micronesia		1,568		1,590		-68		1,522		1,590		300		-1,290		-1,222		-1,290
Operations and Maintenance		4,900		---		---		---		---		---		---		---		---
Satellite Communications	—	980	—	974	—	-42	—	932	—	974	—	150	—	-824	—	-782	—	-824
Subtotal	15	12,722	10	5,389	—	-231	10	5,158	10	5,389	5	2,450	-5	-2,939	-5	-2,708	-5	-2,939
2 Federated States of Micronesia Operations		40,342		40,505		-1,742		38,763		40,505		—		-40,505		-38,763		-40,505
3 Republic of the Marshall Islands Operations		11,402		11,432		-492		10,940		11,432		—		-11,432		-10,940		-11,432
4 Republic of Palau Operations		10,501		10,537		-453		10,084		10,537		10,600		+63		+516		+63
5 Trust Territory Construction																		
Capital Improvements		17,150		9,393		-404		8,989		---		---		-9,393		-8,989		---
Capital Relocations		3,920		---		---		---		---		---		---		---		---
Subtotal		21,070		9,393		-404		8,989		---		---		-9,393		-8,989		---
6 Enewetak Support		882		895		-38		857		895		---		-895		-857		-895
7 Bikini Resettlement	—	1,876	—	1,739	—	-75	—	1,664	—	---	—	---	—	-1,739	—	-1,664	—	---
TOTAL REQUIREMENTS	15	98,795	10	79,890	—	-3,435	10	76,455	10	68,758	5	13,050	-5	-66,840	-5	-63,405	-5	-55,708

Justification of Base Adjustments
Territorial and International Affairs
(dollar amounts in thousands)

	FTE	Amount
Appropriation: Trust Territory of the Pacific Islands (FY 1986)	10	79,890
FY 1986 P.L. 99-177 Sequestrations		-3,435
Adjusted Appropriations, 1986		76,455
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	--	+3,435

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Decreases for "ad hoc" construction and special program grants	FTE	Amount
Trust Territory Construction		-9,393
Bikini Resettlement		-1,739
Subtotal, decreases for construction and special programs	--	-11,132
Subtotal, adjustments to base	--	- 7,697
FY 1987 Base	10	68,758

Activity Summary

Appropriation: Trust Territory of the Pacific Islands

(dollar amounts in thousands)

Activity		FY 1985 Actual (B.A)	FY 1986 Appropriation Enacted	FY 1986 Adjusted Appropriation	FY 1987 Base	FY 1987 Estimate	Inc (+) or Dec (-) 1987 Estimate over 1987 Base
Trust Territory	($)	12,722	5,389	5,158	5,389	2,450	-2,939
Operations	(FTE-T)	(15)	(10)	(10)	(10)	(5)	(-5)
Federated States of Micronesia	($)	40,342	40,505	38,763	40,505	---	-40,505
Operations	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Republic of the Marshall Islands	($)	11,402	11,432	10,940	11,432	---	-11,432
Operations	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Republic of Palau	($)	10,501	10,537	10,084	10,537	10,600	+ 63
Operations	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Trust Territory	($)	21,070	9,393	8,989	---	---	---
Construction	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Enewetak Support	($)	882	895	857	895	---	-895
	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Bikini	($)	1,876	1,739	1,664	---	---	---
Resettlement	(FTE-T)	(--)	(--)	(--)	(--)	(--)	(--)
Total	($)	98,795	79,890	76,455	68,758	13,050	-55,708
	(FTE-T)	(15)	(10)	(10)	(10)	(5)	(-5)

Justification of Program and Performance

Activity: Trust Territory Operations

(dollar amounts in thousands)

Subactivity		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Trust Territory Administration	($) (FTE-T)	2,825 (10)	2,704 (10)	2,825 (10)	2,000 (5)	-825 (-5)
College of Micronesia	($) (FTE-T)	1,590 (--)	1,522 (--)	1,590 (--)	300 (--)	-1,290 (--)
Satellite Communications	($) (FTE-T)	974 (--)	932 (--)	974 (--)	150 (--)	-824 (--)
Total Requirements	($) (FTE-T)	5,389 (10)	5,158 (10)	5,389 (10)	2,450 (5)	-2,939 (-5)

The Department is continuing its phase down of Trust Territory operations as a result of the Compact of Free Association for the Federated States of Micronesia and the Republic of the Marshall Islands being enacted and implemented in FY 1986. In FY 1985, a reorganization of the Trust Territory government took place which resulted in consolidation of activities and a decrease of 5 FTEs. In FY 1987, the Department is proposing further consolidation of duties and an additional decrease of 5 FTEs. Administrative functions of the Trust Territory government are being reduced to the minimum necessary to provide essential services to the Republic of Palau, until it is included under the Compact, and to continue performance of residual responsibilities that remain after implementation of the Compact. The majority of these residual responsibilities are associated with monitoring and supervising the final liquidation of multi-year grant funds such as those provided for capital improvement projects. Other responsibilities such as budget formulation, health care programs, the Bikini program and the enhanced operations and maintenance program have been transferred to the Office of Territorial and International Affairs.

Contributions to the College of Micronesia and satellite communications represent a pro-rata share of past budgets and include only the amounts associated with the Republic of Palau.

The Department continues to recognize the importance of the enhanced operations and maintenance program. However, additional funding has not been requested, because sufficient funds remain available from prior year appropriations to carry out the program and achieve program goals and objectives well into the post-Compact era.

Justification of Program and Performance

Activity: Trust Territory Operations
Subactivity: Trust Territory Administration

(dollar amounts in thousands)

Program		1986 Enacted to Date	1986 Adjusted Appropriation	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from Base
General Administration	($)	2,137	2,046	2,137	1,650	-487
	(FTE-T)	(10)	(10)	(10)	(5)	(-5)
Judiciary	($)	298	285	298	250	-48
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Prior Service Benefits	($)	390	373	390	100	-290
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	2,825	2,704	2,825	2,000	-825
	(FTE-T)	(10)	(10)	(10)	(5)	(-5)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Trust Territory Operations	2,825	-121	2,704

As a result of the $121,000 in P.L. 99-177 reductions, the Trust Territory government will experience no significant impact since it is continuing to phase down its operations.

Authorization: P.L. 83-451, an Act to Provide for the Continuance of Civil Government for the Trust Territory of the Pacific Islands, as amended by P.L. 95-134 (Sec. 101a), P.L. 95-348 (Section 8), and P.L. 96-205 (Section 101), Section 2; 48 U.S.C. 1681 note, Grants-Operations.

Objectives

- To fulfill the remaining United States obligations and responsibilities under the U.N. Trusteeship Agreement, consistent with existing treaties, laws, and regulations of the United States generally applicable in the Trust Territory.
- To provide executive direction and administrative control over Trust Territory Administration programs, including those operating within the jurisdiction of Micronesian governments.

Base Program. The Trust Territory of the Pacific Islands covers some three million square miles of the Western Pacific Ocean just above the equator and includes more than 2,000 islands and islets. The entire group is often called Micronesia, or the "Tiny Islands." The latest census, conducted in September 1980, indicates a Trust Territory population of nearly [illegible], with a projected population by the end of 1986 of over [illegible]. In 1947, the area became a United Nations Trusteeship administered by the United States. Within the Trust Territory Administration, executive and administrative authority has been vested in a High Commissioner, appointed by the President of the United States and confirmed by the United States Senate, and judicial authority has been vested in the Trust Territory's High Court, consisting of a Chief Justice and Associate Justices appointed by the Secretary of the Interior.

The Trust Territory Administration includes General Administration, Health Services, Education, Legal Services and Security, Public Works, Communications, and other programs. All of these programs are designed to provide administrative and technical support services to the Micronesian governments.

Although the Micronesian governments have increasingly assumed responsibility for most of their governmental functions, most of these administrative and support programs will continue to be required until the termination of the U.N. Trusteeship Agreement and the phase out of the Trust Territory Administration.

In addition, for as long as the Trust Territory is considered the "State Agency" for Federal program purposes in Micronesia, the Trust Territory Administration is responsible for the compilation and review of grant applications, general management, coordination, and evaluation of Federal program grants, and financial and performance reporting on the grants.

Implementation of the Compact of Free Association for the Republic of the Marshall Islands and the Federated States of Micronesia during FY 1986 will reduce the administrative and support functions required from the Trust Territory Administration. The Republic of Palau will be the only Micronesian government remaining under the Trusteeship agreement. As a result, the functions of the Trust Territory Administration were reviewed and reorganized in FY 1985. Those determined to be duplicative or unnecessary were eliminated. Those functions deemed necessary were consolidated and reduced to a level consistent with the scaled-down scope and remaining mission of the Trust Territory Administration. Other functions and responsibilities were transferred to the Office of Territorial and International Affairs. In FY 1987, further consolidation of functions is planned in accordance with the continued phase down of the Trust Territory Administration. This will result in an additional decrease of [illegible] FTEs, as the headquarters of the Office of Territorial and International Affairs assumes greater responsibility for the remaining workload of the Trust Territory Administration.

Decreases from FY 1987 Base

(Dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	2,825	2,000	-825
(FTE-T)*	(10)	(5)	(-5)

---

*Federal employees only

The decrease of 5 FTE's and $825,000 is the result of the continued phase down of the Trust Territory Administration, the further consolidation of remaining functions, and the assumption by the Office of Territorial and International Affairs of responsibility for portions of the remaining workload of the Trust Territory Administration.

Distribution of Change by Object Class

The object class detail for the proposed decrease of 5 FTE's is as follows:

	FTE-T	Amount
Grants, subsidies, and contributions	-5	-$825,000

Justification of Program and Performance

Activity: Trust Territory Operations
Subactivity: College of Micronesia

(dollar amounts in thousands)

Program		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
College of Micronesia	($)	1,590	1,522	1,590	300	-1,290
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	1,590	1,522	1,590	300	-1,290
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
College of Micronesia	1,590	-68	1,522

As a result of the $68,000 in P.L. 99-177 reductions, the College of Micronesia should not be impacted if the Compact funding for the Federated States of Micronesia and the Marshall Islands is allocated to continue support for the College.

Authorization: P.L. 83-451, an Act to Provide for the Continuance of Civil Government for the Trust Territory of the Pacific Islands, as amended by P.L. 95-134 (Sec. 101a), P.L. 95-348 (Section 8), and P.L. 96-205 (Section 101), Section 2; 48 U.S.C. 1681 note, Grants Operations.

Objectives

- To provide accredited postsecondary degree and certification programs in subject areas relevant to the needs of the Trust Territory and its people.

- To implement integrated academic and administrative procedures for the Micronesian Occupational College in Palau.

- To increase the financial self-sufficiency of the College.

Base Program: The College of Micronesia services all Micronesians from the Federated States of Micronesia, the Republic of the Marshall Islands, and the Republic of Palau. The College serves as a major unifying force within Micronesia for the betterment of education, cooperation, and communications of all Micronesians. The College consists of three campuses, the School of Nursing on Saipan, the Community College of Micronesia on Ponape, and the Micronesian Occupational College on Palau. All of the campuses have been accredited by the United States Western Association of Schools and Colleges.

The School of Nursing provides instruction, using the Learning Experience Guide for Students, leading to an Associate Degree in Nursing. The Associate Degree in Nursing program is fully accredited and qualifies graduates to sit for the Guam Nursing Board Examinations. By agreement of the three governments, this school will eventually be relocated to the Republic of the Marshall Islands.

The Community College of Micronesia provides instruction leading to an Associate Degree or Certificate in the fields of Education, Special Education, Business Management, Liberal Arts, and Pre-Nursing.

The Micronesian Occupational College provides instruction leading to a Vocational Diploma or Associate Degree in eighteen specific vocational fields and will provide instruction leading to a Vocational Certificate in four specific vocational fields.

The College of Micronesia is also supported by tuition payments from Basic Educational Opportunity Grants to Micronesian students. These grants are dependent upon the number of eligible students and the continued accreditation of the College and totalled approximately $1.5 million in FY 1985.

Change from FY 1987 Base

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	1,590	300	-1,290
(FTE-T)	(--)	(--)	(--)

The decrease of $1,290,000 reflects the implementation of the Compact of Free Association for the Republic of the Marshall Islands and the Federated States of Micronesia. Under the Compact, the freely associated states will have sufficient funds to pay their pro-rata share of costs for the college.

Justification of Program and Performance

Activity: Trust Territory Operations
Subactivity: Satellite Communications

(dollar amounts in thousands)

		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Satellite	($)	974	932	974	150	-824
Communications	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total	($)	974	932	974	150	-824
Requirements	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Satellite Communications	974	-42	932

As a result of the $42,000 in P.L. 99-177 reductions, there should be no impact on satellite communications. Sufficient funds are available to pay for the station in Palau. The Federated States of Micronesia and the Marshall Islands will receive Compact funding to cover the costs of their stations.

Authorization P.L. 83-451, an Act to Provide for the Continuance of Civil Government for the Trust Territory of the Pacific Islands, as amended by P.L. 95-134 (Sec. 101a), P.L. 95-348 (Section 8), and P.L. 96-205 (Section 101), Section 2; 48 U.S.C. 1681 note, Grants-Operations.

Objectives

- To provide for a modern satellite communications system for the Trust Territory.
- To provide the operations, maintenance, and space segment costs for the "Standard B" satellite terminal located in the Republic of Palau.

Base Program In order to promote effectively the social, economic, and political development of the Trust Territory, a modern and efficient communications system is necessary. A satellite communications system best meets this need in Micronesia, because of the vast expanses of ocean between major islands. Contracts were negotiated and signed between COMSAT and the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, which provided for the installation of "Standard B" satellite terminals. The agreements called for a total of seven terminals which are completed and fully operational. Annual space segment costs for each satellite terminal are approximately $135,000. Spare parts and equipment cost approximately $8,000 per station annually.

The FY 1987 budget request reflects space segment and spare parts and equipment costs only for the satellite terminal located in the Republic of Palau. Funding for the satellite terminals located in the Federated States of Micronesia and the Republic of the Marshall Islands will be provided under the Compact of Free Association.

Change from the FY 1987 Base

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	974	150	-824
(FTE-T)	(--)	(--)	(--)

The decrease of $824,000 in the satellite communications program is due to the implementation of the Compact of Free Association for the Republic of the Marshall Islands and the Federated States of Micronesia. After receiving Compact funding, these governments will be able to pay their costs with Compact funding.

Justification of Program and Performance

Activity: Republic of Palau Operations

(dollar amounts in thousands)

Program		1986 Enacted to Date	1986 Adjusted Appropriaton	1987 Base	1987 Estimate	Inc. (+) Dec. (-) from base
Office of the	($)	588	563	588	598	+10
President	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Vice President/ Ministry of	($)	634	607	634	644	+10
State	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Ministry of	($)	542	519	542	552	+10
Administration	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Ministry of Social	($)	3,087	2,955	3,087	3,097	+10
Services	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Ministry of Natural	($)	4,769	4,564	4,769	4,779	+10
Resources	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Ministry of	($)	600	573	600	610	+10
Justice	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Judiciary	($)	317	303	317	320	+3
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Total	($)	10,537	10,084	10,537	10,600	+63
Requirements	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Appropriation
Republic of Palau Operations	10,537	-453	10,084

As a result of the $453,000 in P.L.-177 reductions, the Republic of Palau will have to assume greater fiscal responsibility for funding government operations than it had anticipated. The poor financial condition of Palau will be further exacerbated by the reduction.

Authorization P.L. 83-451, an Act to Provide for the Continuance of Civil Government for the Trust Territory of the Pacific Islands, as amended by P.L. 95-134 (Sec. 101a), P.L. 95-348 (Section 8), and P.L. 96-205 (Section 101), Section 2; 48 U.S.C. 1681 note, Grants-Operations.

Objectives

- To provide basic social, political, and economic development programs to serve the people of Palau.
- To develop a viable economic base, largely supported by the private sector and not by the government or other outside grants.
- To conduct necessary governmental operations for the people of Palau, to enhance their quality of life and preserve their basic rights.

Base Program The base program provides operational support for basic governmental services and functions, both those traditionally performed by government and certain nontraditional services that the limited private sector in Palau is not capable of assuming. The Republic of Palau has organized its activity (program) structure along organizational, rather than functional lines. The ministries identified perform health, education, public safety, administrative, and other services.

Change from FY 1987 Base

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	10,537	10,600	+63
(FTE-T)	(--)	(--)	(--)

The minimal increase of $63,000 in the FY 1987 budget request for the Republic of Palau, restores funding to the same level requested in FY 1986. The level was held constant to emphasize to the national government of the Republic of Palau, the importance of greater fiscal integrity and control and the need for increased development of a diversified and private sector-oriented local economy designed to increase local revenues and available resources. These objectives become much more important as the prospect of Free Association and the responsibilities and obligations accompanying that status, become more of a reality.

In FY 1985, the government of the Republic of Palau continued to strive to achieve the program and goals it set forth when it became a constitutional government in 1981. Over the past four years, Palau has tried to develop both the capital assets and the fiscal and management capabilities that are necessary to enhance its fledgling economy and improve the efficiency and stability of the government. This has not been a smooth or easy task.

The national government of Palau will continue to be the major supplier of essential services to the population of approximately 16,000. These essential services include health, education, protection of property and life, power, water, and communications. The national government is the largest single employer in Palau, and financing the operations of the government is a major concern. Total government revenues are comprised of grants from the Department of the Interior, grants from other Federal agencies, and taxes and other receipts collected locally. Realizing the potential and necessity for increased local revenues, the national legislature of the Republic of Palau passed a comprehensive tax bill in FY 1984, which became effective in FY 1985. Increased local revenues resulting from this measure should help the Republic avoid a potentially serious deficit position in FY 1985 and FY 1986.

In addition to the direct grant from the Department of the Interior for general government operations, Palau expects to collect an estimated $9.0 million in local revenue, an increase of $1.0 million over 1986, and to receive approximately $2.7 million in Federal Program Grants, the same level as 1986. The chief sources of revenues are import taxes, gross receipts taxes, income taxes on wages and salaries, liquor sales taxes and various miscellaneous fees and charges. (See revenue projections detailed on the following page.).

Despite pressing needs for expanded governmental services and assistance in economic development, the Republic of Palau will take necessary steps to ensure that the government lives within its financial means. Among the actions to be taken are: tighter control over cash flow, overtime pay, and bidding; encouraging early retirements; and contracting for services where possible rather than performing them with government employment.

Distribution of changes by object class	Amount
Grants, subsidies, and contributions	+$63,000

REPUBLIC OF PALAU
ESTIMATED AND ACTUAL REVENUE
BY SOURCE
($000)

SOURCE	Actual 1984	Estimate 1985	Estimate 1986	Estimate 1987
PUBLIC LAW NO. 1-63				
1. INCOME TAX:				
Micronesians	1,181.0	1,476	1,997	2,210
Others	167.0	256	393	428
Total Individual Income Tax	1,348.0	1,732	2,390	2,638
BUSINESS GROSS REVENUES	1,072.4	1,367	1,930	2,108
Total Tax	2,420.4	3,099	4,746	4,746
2. OTHER REVENUES				
Import Taxes	705.4	1,895	2,382	2,729
Business License	16.8	75	65	75
Other License Fees	96.5	100	110	110
Fuel Excise Tax	70.6	39	-0-	-0-
Alcohol Beverage Taxes	313.5	-0-	-0-	-0-
Hotel Room Taxes	-0-	115	135	150
Delinquent Tax	16.6	285	150	250
Departure Head Tax	-0-	55	75	85
Amusement Devices	-0-	1-6	95	110
Road Use Tax	-0-	20	22	22
Landing Fees	3.0	6	5	5
Fish. Rights Fees	56.4	75	75	75
Postal Collection	482.1	500	500	500
Court Fines & Fees	16.1	20	20	20
Interest from Invest.	2.3	10	10	75
Penalty & Interest	16.4	32	10	22
Miscellaneous	15.5	21	26	26
Total Other Revenues	1,811.2	3,354	3,680	4,254
TOTAL REVENUE	4,231.6	6,453	8,000	9,000

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
TRUST TERRITORY OF THE PACIFIC ISLANDS

Program and Financing (in thousands of dollars)

Identification code 14-0414-0-1-806	1985 actual	1986 estimate	1987 estimate
Program by activities:			
Direct program:			
1. Trust Territory operations	13,189	5,422	2,450
2. Federated States of Micronesia operations	40,342	40,750	---
3. Republic of the Marshall Islands operation	11,402	11,500	---
4. Republic of Palau operations	11,501	10,600	10,600
5. Trust Territory construction:			
(a) Capital Improvements	21,203	9,450	---
(b) Capitol Relocation	3,920	---	---
6. Enewetak Support	882	900	---
7. Bikini Support	---	---	---
8. Bikini Resettlement	1,876	1,750	---
Total, direct program	104,315	80,372	---
10.00 Total obligations	104,315	80,372	13,050
Financing:			
21.40 Unobligated balance available, start of year	-15,316	-9,796	---
24.40 Unobligated balance available, start of year	9,796	9,314	---
39.00 Budget Authority	98,795	79,890	13,050
40.00 Budget Authority (Appropriation)	98,795	80,372	13,050
Reduction Pursuant 98-473)	---	-482	---
43.00 Appropriation (adjusted)	98,795	79,890	13,050
Relation of obligations to outlays:			
71.00 Obligations incurred, net	104,316	80,372	13,050
72.40 Obligated balance, start of year	49,436	47,913	28,039
74.40 Obligated balance, end of year	-47,913	-28,039	-8,186
90.00 Outlays, excluding pay raise supplemental	105,839	100,246	32,903
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 8)	(Mono cast: 4.8)

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
TRUST TERRITORY OF THE PACIFIC ISLANDS
Gramm-Rudman-Hollings Impact

Program and Financing (in thousands of dollars)

Identification code 10-82-0414-6-1-806	19 85 actual	19 86 estimate	19 87 estimate
10.00 Total obligations		-3,435	
40.00 Budget Authority (Appropriation)		-3,435	
Relation of obligations to outlays:			
71.00 Obligations incurred, net		-3,435	
72.40 Obligated balance, start of year			-434
74.40 Obligated balance, end of year		434	
90.00 Outlays		-3,001	-434
(Mono cast 23.1)	(Mono cast 1)	(Mono cast 3)	(Mono cast 6.0)

STANDARD FORM 300

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
TRUST TERRITORY OF THE PACIFIC ISLANDS

Object Classification (in thousands of dollars)

14-0414-0-1-806	[illegible]	[illegible]	[illegible]
Direct Program:			
41.00 Grants, subsidies, and contributions	98,793	79,890	13,050
99.00 Total obligations	98,793	79,890	13,050

Appropriation Summary Statement

Territorial and International Affairs

Appropriation: Compact of Free Association

The FY 1987 budget for the Compact of Free Association includes second year funding for the freely associated state governments of the Republic of the Marshall Islands and the Federated States of Micronesia. (Note: An FY 1986 supplemental budget request for first year funding under the Compact of Free Association is being submitted concurrently with this budget.)

The Compact of Free Association (P.L. 99-239) stipulates the relationships between the United States and the freely associated states. Under the Compact, the United States is granted full powers and authority for defense and security matters, including the right to establish military bases and support activities, throughout the freely associated states. In return, the United States will provide annual financial assistance to the freely associated states over a fifteen year period. The average annual amount of this assistance over this period is approximately $137 million. Of this amount, an annual average of 12 percent will be devoted to the financing of federal services with the remainder to be provided directly to each of the freely associated state governments for their use.

The total cost of the Compact in FY 1987 is $144,170,000. Of this total, $116,750,000 carries the full faith and credit of the United States and is estimated for permanent indefinite appropriation. The remainder of $27,420,000 is requested in current authority.

Major activities of this appropriation are:

1. Assistance to the Marshall Islands (Permanent Indefinite Appropriation). This activity includes payments to the Marshall Islands for the current and capital accounts to be used for government operations and capital development, respectively. Both the current and capital accounts are subject to an annual inflation adjustment with each year's adjustment factor being two-thirds of the annual percentage change in the U.S. Gross National Product Implicit Price Deflator, or 7 percent, whichever is less. This activity also includes Kwajalein Atoll impact funds, which are to be used to finance programs and activities that offset the impact of United States military activities in the Kwajalein Atoll area of the Marshall Islands. Finally, this activity includes an Investment Development Fund from which payments will be made in FY 1987 and FY 1988. This amount was negotiated to offset changes requested by the United States in the tax and trade provisions of the original Compact. Total estimated authority for this activity in FY 1987 is [illegible].

2. Assistance to the Federated States of Micronesia (Permanent Indefinite Appropriation). This activity is similar to the assistance provided to the Marshall Islands and provides funding for the current and capital accounts, an inflation adjustment, and payments for the Investment Development Fund of the Federated States of Micronesia. Total estimated authority for this activity in FY 1987 is $75,770,000.

[illegible]

[illegible]

[illegible]

Appropriation Language Sheet

DEPARTMENT OF THE INTERIOR

TERRITORIAL AND INTERNATIONAL AFFAIRS

COMPACT OF FREE ASSOCIATION

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands as provided for in Sections 122, 221, and 223 of the Compact of Free Association, $[illegible], as authorized by Public Law 99-239

Appropriation Language Citations

Territorial and International Affairs

Appropriation: Compact of Free Association

1. For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands as provided for in Sections 122, 221, and 223 of the Compact of Free Association, $27,920,000, as authorized by Public Law 99-239.

P.L. 99-239, Section 122 provides that "The Government of the United States agrees to accept for training and instruction at the Foreign Service Institute, established under 22 U.S.C. 4021, citizens of the Marshall Islands and the Federated States of Micronesia."

P.L. 99-239, Section 221(a) provides that "The Government of the United States shall make available to the Marshall Islands and the Federated States of Micronesia, . . ., without compensation and at the levels equivalent to those available to the Trust Territory of the Pacific Islands during the year prior to the effective date of this Compact, the services and related programs:

(1) of the United States Weather Service;
(2) of the United States Federal Emergency Management Agency;
(3) provided pursuant to the Postal Reorganization Act, 39 U.S.C. 101 et. seq.;
(4) of the United States Federal Aviation Administration; and
(5) of the United States Civil Aeronautics Board or its successor agencies which has the authority to implement the provisions of paragraph 5 of Article IX of such separate agreement, the language of which is incorporated into this Compact."

P.L. 99-239, Section 221(b) provides that "The Government of the United States, recognizing the special needs of the Marshall Islands and the Federated States of Micronesia, particularly in the fields of education and health care, shall make available, as provided by the laws of the United States, the annual amount of $10 million which shall be allocated in accordance with the provisions of the separate agreement referred to in Section 232."

P.L. 99-239, Section 223 provides that "The citizens of the Marshall Islands and the Federated States of Micronesia who are receiving post-secondary educational assistance from the Government of the United States on the day preceeding the effective date of this Compact shall continue to be eligible, if otherwise qualified, to receive such assistance to complete their academic programs for a maximum of four years after the effective date of this Compact.

Summary of Requirements

Appropriation: Compact of Free Association	FTE-T	Amount	FTE-T	Amount
	($ in thousands)			
Appropriation currently available 1986 (Estimate)			--	178,750
Base Adjustments				
One-time decrease for special grant pursuant to Section 177 of the compact of Free Association		-150,000		
Total, adjustments to base				-150,000
FY 1987 Base Budget				28,750

Comparison by Activity/Subactivity (Annual Appropriation)

	1986 Proposed Supplemental		1987 Base Budget		1987 Estimate		Change from Base	
	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount
Federal Services Assistance								
Section 122	(--)	280	(--)	280	(--)	280	(--)	---
Section 221	(--)	8,300	(--)	8,300	(--)	6,300	(--)	-2,000
Section	(--)	10,170	(--)	10,170	(--)	11,340	(--)	+1,170
Subtotal, Federal Services Assistance	(--)	18,750	(--)	18,750	(--)	17,920	(--)	-830
Program Grant Assistance								
Section 177	(--)	150,000	(--)	---	(--)	---	(--)	---
Section 221(b)	(--)	10,000	(--)	10,000	(--)	10,000	(--)	---
Subtotal, Program Grant Assistance	(--)	160,000	(--)	10,000	(--)	10,000	(--)	---
Total, Annual Appropriation	(--)	178,750	(--)	28,750	(--)	27,920	(--)	-830

Comparison by Activity/Subactivity (Permanent Appropriation)

	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount
Assistance to the Marshall Islands								
Current Account	(--)	18,900	(--)	18,900	(--)	17,900	(--)	-1,000
Capital Account	(--)	10,500	(--)	10,500	(--)	10,500	(--)	---
Inflation Account	(--)	4,270	(--)	4,270	(--)	4,910	(--)	+ 640
Kwajalein Impact	(--)	1,900	(--)	1,900	(--)	1,900	(--)	---
Investment Development Funds	(--)	10,000	(--)	10,000	(--)	---	(--)	-10,000
Subtotal, Marshall Islands 1/	(--)	45,570	(--)	45,570	(--)	35,210	(--)	-10,360
Assistant to the Federated States of Micronesia								
Current Account	(--)	42,600	(--)	42,600	(--)	39,600	(--)	-3,000
Capital Account	(--)	24,000	(--)	24,000	(--)	25,000	(--)	+1,000
Inflation Account	(--)	9,690	(--)	9,690	(--)	11,170	(--)	+1,480
Investment Development Funds	(--)	20,000	(--)	20,000	(--)	---	(--)	-20,000
Subtotal, Federated States of Micronesia 2/	(--)	96,290	(--)	96,290	(--)	75,770	(--)	-20,520
Program Grant Assistance								
Section 213(b)	(--)	160	(--)	160	(--)	---	(--)	-160
Section 216	(--)	6,700	(--)	6,700	(--)	5,370	(--)	-1,330
Subtotal, Program Grant Assistance	(--)	6,860	(--)	6,860	(--)	5,370	(--)	-1,490
Total, Permanent Authority	(--)	148,720	(--)	148,720	(--)	116,350	(--)	-32,370
TOTAL COMPACT REQUIREMENTS	(--)	327,470	(--)	177,470	(--)	144,270	(--)	-33,200
Less: Reappropriation from Trust Territory of the Pacific Islands	(--)	(56,527)	(--)	(---)	(--)	(---)	(--)	(---)
NET, TOTAL, COMPACT	(--)	270,943	(--)	177,470	(--)	144,270	(--)	-33,200

1/ Contained in this subtotal of $45,570,000 is $15,172,000 which has been re-appropriated from the Trust Territory of the Pacific Islands appropriation.

2/ Contained in this subtotal of $96,290,000 is $41,355,000 which has been re-appropriated from the Trust Territory of the Pacific Islands appropriation.

Justification of Base Adjustments
Territorial and International Affairs
Annual Appropriation

(dollar amounts in thousands)

	FTE-T	Amount
Appropriation: Compact of Free Association (FY 1986 Estimate)	--	178,750
Decrease for special one-time grant pursuant to Section 177 of the Compact of Free Association		-150,000
This decrease is the result of a one-time grant of $150 million that will be paid to the Government of the Marshall Islands in consideration of its espousing and settling claims of itself and all of the citizens of the Marshall Islands arising out of the United States nuclear weapons testing program which was conducted in the Marshall Islands from 1946 to 1958.		
Subtotal, decreases for special program grant		-150,000
Subtotal, adjustments to base	--	-150,000
FY 1987 Base	--	28,750

Activity Summary

Appropriation:Compact of Free Association

		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) or Dec. (-) from 1987 Base
Assistance to the Marshall Islands	($)	45,570	45,570	35,210	-10,360
	(FTE-T)	(--)	(--)	(--)	(--)
Assistance to the Federated States of Micronesia	($)	96,290	96,290	75,770	-20,520
	(FTE-T)	(--)	(--)	(--)	(--)
Federal Services Assistance	($)	18,750	18,750	17,920	-830
	(FTE-T)	(--)	(--)	(--)	(--)
Program Grant Assistance	($)	166,860	16,860	15,370	-1,490
	(FTE-T)	(--)	(--)	(--)	(--)
Total	($)	327,470 1/	177,470	144,270	-33,200
Annual Appropriation		178,750	28,750	27,920	-830
Permanent Appropriation		92,193	148,720	116,350	-32,370
Re-appropriation		56,527	---	---	---
TOTAL, COMPACT OF FREE ASSOCIATION		327,470	177,470	144,270	-33,200

1/ The total supplemental request for FY 1986 is $270,943,000, the remaining balance of $56,527,000 was originally appropriated to the Trust Territory of the Pacific Islands account. This funding will be re-appropriated to this account.

Justification of Program and Performance

Activity: Federal Services Assistance (Current Appropriation)

(dollar amounts in thousands)

Subactivities		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 122	($)	280	280	280	---	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Section 223	($)	8,300	8,300	6,300	-2,000	-2,000
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Section 232	($)	10,170	10,170	11,340	+1,170	+1,170
		(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	18,750	18,750	17,920	-830	-830
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

This activity represents continuing services provided by Federal Agencies to the Republic of the Marshall Islands and the Federated States of Micronesia. The Department of the Interior will reimburse the Federal agencies for the services provided. The level of services was negotiated with the freely associated state governments incident to the termination of the Trusteeship Agreement and are authorized by the terms of the Compact. The provisions of these services constitute an international commitment of the United States.

Justification of Program and Performance

Activity: Federal Services Assistance
Subactivity: Section 122

(dollar amounts in thousands)

		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 122	($)	280	280	280	---	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Authorization. P.L. 99-239, the Compact of Free Association.

Objective.

-- To provide for the training of diplomats from the freely associated states.

Base Program. The freely associated states are entitled to send representatives of their governments to the Foreign Service Institute of the Department of State for training. The Department of the Interior reimburses the Department of State for the costs it incurs in conducting this training.

Increase/Decrease from FY 1987 Base. There is no change from the FY 1987 base.

Distribution of change by Object Class

	Amount
Grants, subsidies and contributions	---

Justification of Program and Performance

Activity: Federal Services Assistance
Subactivity: Section 223

(dollar amounts in thousands)

		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 223	($)	8,300	8,300	6,300	-2,000	-2,000
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Authorization. P.L. 99-239, the Compact of Free Association.

Objective.

-- To continue financial assistance for students from the Marshall Islands and the Federated States of Micronesia, who are attending post-secondary institutions in the United States and who were receiving such financial assistance on the effective date of the Compact.

Decrease from FY 1987 Base

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	8,300	6,300	-2,000
(FTE-T)	(--)	(--)	(--)

Since no new students will be accepted under this program, which lasts for a maximum of four years, the number of students receiving assistance will decline each year until the program terminates.

Distribution of Change by Object Class

The object class detail for the proposed decrease is as follows:

	FTE-T	Amount
Other services	(--)	-2,000

Justification of Program and Performance

Activity: Federal Services Assistance
Subactivity: Section 232

(dollar amounts in thousands)

		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 232	($)	10,170	10,170	11,340	+1,170	+1,170
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Authorization. P.L. 99-239, the Compact of Free Association.

Objective.

-- To continue Federal services pursuant to Section 221(a) of the Compact and in accordance with the terms of the Federal Programs and Services Agreement (the agreement subsidiary to Compact Section 232).

Base Program. Continuing services are to be provided to the freely associated states by the Federal Aviation Administration, the Department of Transportation, the Federal Emergency Management Administration, the United States Weather Service and the United States Postal Service. The programs will continue throughout the fifteen-year period of financial assistance. The Federal agencies are reimbursed by the Department of the Interior for the costs incurred in conducting these programs.

Increase from FY 1987 Base

(dollar amounts in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
($)	10,170	11,340	+1,170
(FTE-T)	(--)	(--)	(--)

The increase in the base is due to anticipated increases in the costs of providing services.

Distribution of Change by Object Class

The object class detail for the proposed increase is as follows:

	FTE-T	Amount
Other services....................................	(--)	+1,170

Justification of Program and Performance

Activity: Program Grant Assistance (Current Appropriation)

(dollar amounts in thousands)

Subactivities		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 177	($)	150,000	---	---	-150,000	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)
Section 221(b)	($)	10,000	10,000	10,000	---	---
		(--)	(--)	(--)	(--)	(--)
Total Requirements	($)	160,000	10,000	10,000	-150,000	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

This activity includes grant assistance pledged to the Governments of the Marshall Islands and the Federated States of Micronesia, which is not subject to the full faith and credit pledge of Compact Section 236.

The estimates for FY 1986, the first full year of Compact funding, included a special one-time grant of $150 million to the Government of the Marshall Islands in consideration of its espousing and settling all claims by the Marshall Islands Government and all citizens of the Marshall Islands arising out of the United States nuclear weapons testing program which was conducted in the Marshall Islands from 1946 to 1958.

The FY 1986 and FY 1987 estimates include a recurrent grant of $10 million to be paid to the Governments of the Marshall Islands and the Federated States of Micronesia in the amounts of $3 million and $7 million, respectively, to finance governmental activities in the education and health care areas.

Justification of Program and Performance

Activity: Program Grant Assistance (Current Appropriation)
Subactivity: Section 221(b) Grants

(dollar amounts in thousands)

Subactivities		FY 1986 Estimate	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from 1986	Inc. (+) Dec. (-) from base
Section 221(b)	($)	10,000	10,000	10,000	---	---
	(FTE-T)	(--)	(--)	(--)	(--)	(--)

Authorization. P.L. 99-239, the Compact of Free Association.

Objective.

-- To provide for the special needs of the Marshall Islands and the Federated States of Micronesia in the fields of education and health care.

Base Program. The Compact Section 221(b) recurrent grant of $10 million is to be paid to the Governments of the Marshall Islands and the Federated States of Micronesia in the amounts of $3 million and $7 million, respectively. The freely associated state governments are required to use the funding to finance governmental activities in the education and health care areas in accordance with the provisions of Article XI of the Compact of Free Association subsidiary agreement on Federal Programs and Services. The Compact calls for the United States to make the amount of $10 million available for these purposes each year for fifteen years. This grant is not subject to the full faith and credit pledge of Compact Section 236.

Increase/Decrease from FY 1987 Base. There is no change from the FY 1987 Base.

Distribution of change by Object Class

	Amount
Grants, subsidies and contributions	---

STANDARD FORM [illegible]

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
COMPACT OF FREE ASSOCIATION

Program and Financing (in thousands of dollars)

14-82-0415-1-1-808	[illegible]	[illegible]	[illegible]
Program by activities:			
1. Assistance to the Marshall Islands			39,910
2. Assistance to the Federated States of Micronesia			86,440
3. Federal Services Assistance			17,920
10.00 Total obligations			144,270
39.00 Budget authority (appropriation)			144,270
Budget Authority:			
40.00 Appropriation (annual)			17,920
60.00 Appropriation (permanent indefinite)			126,350
Relation of obligations to outlays:			
71.00 Obligations incurred, net			144,270
90.00 Outlays			144,270

[illegible]

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
PAYMENTS TO THE UNITED STATES TERRITORIES, FISCAL ASSISTANCE

Program and Financing (in thousands of dollars)

Identification code [illegible]	[illegible]	[illegible]	[illegible]
Program by activities:			
1. Advance payments to Guam of estimated U.S. income tax collections	[illegible]	[illegible]	[illegible]
2. Advance payments to the Virgin Islands of estimated U.S. excise tax collections	[illegible]	[illegible]	[illegible]
10.00 Total obligations (object class 41.0)	[illegible]	[illegible]	[illegible]
21.40 Unobligated balance, start of year	[illegible]	[illegible]	[illegible]
24.40 Unobligated balance, end of year	[illegible]	[illegible]	[illegible]
Financing:			
40.00 Budget authority (appropriation) (permanent, indefinite, general fund)	[illegible]	[illegible]	[illegible]
71.00 Obligations incurred, net	[illegible]	[illegible]	[illegible]
72.40 Obligated balance, start of year			[illegible]
74.40 Obligated balance, end of year			
90.00 Outlays	[illegible]	[illegible]	[illegible]

[illegible]

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
MICRONESIAN CLAIMS FUND, TRUST TERRITORY OF THE PACIFIC ISLANDS

Program and Financing (in thousands of dollars)

Identification code 14-0416-0-1-806	1995 actual	1996 estimate	1997 estimate
Relation of obligations to outlays:			
71.0001 Obligations incurred, net	---	---	---
72.4001 Obligated balance, stare of year	1,578	1,306	---
74.4001 Obligated balance, end of year	-272	-1,306	---
90.0001 Outlays	1,306	---	---
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
CONSOLIDATED SCHEDULE OF PERMANENT POSITIONS

DETAIL OF PERMANENT POSITIONS

Identification code	1985 actual	1986 estimate	1987 estimate
ES-4	1	1	1
Subtotal	1	1	1
GS/GM-18	1	1	1
GS/GM-16	2	2	2
GS/GM-15	13	10	10
GS/GM-14	6	6	6
GS/GM-13	7	5	5
GS-12	11	8	8
GS-11	6	4	4
GS-10	-	-	-
GS-9	1	1	1
GS-8	1	1	1
GS-7	4	3	3
GS-6	1	1	1
GS-5	6	3	3
GS-4	5	4	4
GS-3	1	1	1
Subtotal	65	50	50
Total Permanent Positions	66	51	51
Unfilled positions, end of year	8	--	--
Total, permanent positions, end of year	58	51	51

(Mono cast 21.5) (Mono cast 5) (Mono cast 5) (Mono cast 4.9)

Type size
6 point 22 picas
[illegible]
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Status of Direct Loans (in thousands of dollars)

Identification code 14-0412-0-1-806	1985 actual	1986 estimate	1987 estimate
Addendum: Federal Financing Bank Transactions			
1410 Outstanding, start of year	64,677	63,334	61,893
1450 Repayments	-1,343	-1,441	-1,550
1490 Outstanding, end of year	63,334	61,893	60,343
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 6.9)

Type size 8 point 22 picas
Case 150
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNAITONAL AFFAIRS
ADMINISTRATION OF TERRITORIES

Status of Guaranteed Loans (in thousands of dollars)

Identification code 14-0412-0-1-806	1985 actual	1986 estimate	1987 estimate
Cumulative balance of guaranteed loans outstanding:			
2210 Outstanding, start of year	64,677	63,334	61,893
2231 New loans guaranteed	-1,343	-1,441	-1,550
2290 Outstanding, end of year	63,334	61,893	60,343
(Mono cast: 21.5) TIA-114	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.0)

Department of the Interior
TERRITORIAL AND INTERNATIONAL AFFAIRS

COMPACT OF FREE ASSOCIATION
(Supplemental now requested, existing legislation)

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 177,122,221, and 223, of the Compact of Free Association, $178,750,000, as authorized by Public Law 99-239: Provided, That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

For grants and necessary expenses for the Federated States of Micronesia and the Marshall Islands, as provided for in Sections 211, 212, 213, 214, 215, 216, 217, and 231, of the Compact of Free Association and Section 111(b) of Title I of the Compact of Free Asoociation Act of 1985, such sums as may be necessary are available in this and subsequent years, as authorized by Public Law 99-239: Provided, That $56,527,000 of the amount made available to the "Trust Territory of the Pacific Islands" appropriation pursuant to Public Law 99-190 shall be considered to have been made available for the purposes of this appropriation for fiscal year 1986 and expended as provided for by the Compact of Free Association: Provided further, That for purposes of economic assistance as provided pursuant to the Compact, the effective date of the Compact shall be October 1, 1985.

JUSTIFICATION OF PROPOSED SUPPLEMENTAL

Activity: Compact of Free Association
Subactivity: Compact Administration
Amount: $270,943,000

Need

Public Law 99-239, The Compact of Free Association Act of 1985, authorizes annual payments to the freely associated Micronesian states of the Republic of the Marshall Islands and the Federated States of Micronesia for economic and program assistance for fifteen years from the effective date of the Compact. The Administration is proposing a retroactive effective date for the Compact of October 1, 1985. Over the initial fifteen year period of the Compact, $2.3 billion in Federal assistance will be provided to the freely associated states through the Department of the Interior.

P.L. 99-239 is new legislation which was enacted by the Congress and signed by the President after enactment of the FY 1986 appropriation for the Department of the Interior.

Explanation of Need

In January 1986 the President signed a Joint Resolution of Congress approving a Compact of Free Association for the Federated States of Micronesia (FSM) and the Republic of the Marshall Islands (RMI). The Compact of Free Association Act of 1985, P.L. 99-239, constitutes the authorizing legislation necessary to begin annual payments to these two freely associated Micronesian states, totalling $2.3 billion over the initial fifteen years of the Compact. Annual payments to the freely associated states required under the Compact will be made through grants of funds appropriated by the Congress to the Department of the Interior for this purpose.

For purposes of full explanation to the Congress, the Department of the Interior in this justification will address the total funding level required in FY 1986, which includes the requested supplemental.

In accordance with the provisions of P.L. 99-239, payments of economic and program assistance totalling $327,470,000 (See Table I) are to be made to the freely associated states of the FSM and the RMI in FY 1986. To cover these costs, the Department of the Interior is requesting an FY 1986 supplemental appropriation of $270,943,000, which consists of a $178,750,000 annual appropriation and a permanent indefinite appropriation of $92,193,000, in accordance with the intent of the Compact.

The balance of funds required in FY 1986 are proposed to be provided by a re-appropriation of $56,527,000 (See Table II) in funding provided previously for the new freely associated states in the appropriation for the Trust Territory of the Pacific Islands.

Annual Federal payments to the freely associated states under the Compact will be provided under four activities: Assistance to the Marshall Islands, Assistance to the Federated States of Micronesia, Federal Services Assistance, and Program Grant Assistance. Each activity includes several subactivities (See Table I). The assistance provided in FY 1986 is greater than in subsequent years due to the inclusion of specific one-time payments due and payable the first year of the Compact, and the appropriation of investment development funds for the two governments, payable the first and third years after enactment of the Compact.

The terms of the Compact provide that the Government of the Marshall Islands will receive $45,570,000 in Federal assistance in FY 1986. This will include annual payments to a Current Account, which finances recurrent government services and programs, including salaries and expenses; annual payments to a Capital Account, which represents the annual contribution of the United States to capital development in the Marshall Islands; annual payments to an Inflation Account, which establishes an annual inflation adjustment for both the Current and Capital Accounts derived by the formula specified in Section 217 of the Compact; and annual payments to a Kwajalein Impact Account which was established to offset the impact of United States military activities throughout Kwajalein Atoll. In addition to the annual payments to the above mentioned accounts, the Compact includes an FY 1986 appropriation of $10,000,000 to establish an Investment Development Fund for the Marshall Islands. Though the terms of the Compact call for this fund to be appropriated in FY 1986, payments from the fund are not to be made until FY 1987 and FY 1989 (the first and third years after the enactment of the Compact). The amount of the fund was negotiated with the Government of the Marshall Islands and is intended to offset changes requested by the United States in the tax and trade provisions of the original Compact.

The Federated States of Micronesia is to receive $96,290,000 in Federal assistance in FY 1986. These include payments to a Current Account, a Capital Account, and an Inflation Account similar to those described above for the Marshall Islands. In addition to the annual payments, the Compact calls for an appropriation in FY 1986 of $20,000,000 to establish an Investment Development Fund for the FSM. Like the Marshall Islands fund, payments under this appropriation are not to be made until FY 1987 and FY 1989 (the first and third years after enactment of the Compact).

Federal Services Assistance received under the Compact represents assistance pledged to the freely associated states in Sections 122, 223, and 232 of Title Two of the Compact. In FY 1986, the governments will receive $18,750,000 in Federal Services Assistance, an amount negotiated with the governments incident to termination of the Trusteeship Agreement.

Section 122 of the Compact provides for recurrent annual payments to the Foreign Services Institute of the Department of State to finance programs for training of diplomats from the freely associated states.

Section 223 provides for annual payments in support of the costs of continuation of attendance at post secondary institutions of the United States by those citizens of the freely associated states who were attending such institutions on the effective date of the Compact. The payments will continue for the duration of the students' academic terms. Students receiving assistance under Basic Educational Opportunity Grants or Secondary Education Opportunity Grants will qualify for this continued assistance and all other provisions pertaining to those grants will apply. After qualified recipients of this assistance have completed their academic terms, no future costs are authorized by the Compact. Accordingly, these costs will decrease gradually from year to year until the program is completed.

Section 232 provides for annual payments to Federal agencies required to provide ongoing services to the freely associated states pursuant to Section 221(a) of the Compact and in accordance with the terms of the Federal Programs and Services Agreement, a subsidiary agreement to Section 232 of the Compact. Agencies receiving payments in FY 1986 are the United States Coast Guard, the Federal Aviation Administration, the Department of Transportation, the Federal Emergency Management Administration, the NOAA/Weather Service, and the United States Postal Service. The FY 1986 payment to the Coast Guard is a one-time payment for conversion to civilian use of fixed and floating aids to navigation in the freely associated states which the United States no longer requires for defense purposes. Reimbursements to the other agencies will be annual costs for services that the United States is obligated to provide for the initial fifteen years of the Compact.

The final activity for which assistance is provided under the Compact is Program Grant Assistance. This is grant assistance pledged to the freely associated states under Sections 177, 213(b), 216, and 221(b) of Title Two of the Compact. In FY 1986, the freely associated states will receive $166,860,000 in Program Grant Assistance, an amount negotiated with the governments incident to termination of the Trusteeship Agreement.

Section 177 of the Compact provides for a one-time payment of $150,000,000 to the Marshall Islands Government in consideration of its espousing and settling all claims of the Marshall Islands Government and the citizens of the Marshall Islands arising out of the United States nuclear weapons testing program conducted in the Marshall Islands from 1946-1958. The Marshall Islands Government has agreed to indemnify the United States Government with this funding if potential future claims against the United States are successful. This grant is not subject to the full faith and credit pledge included in Section 236 of the Compact.

Section 213(b) provides for a one-time payment in FY 1986 of $160,000 to the Government of the Federated States of Micronesia in consideration of continued use by the United States Coast Guard of lands in Yap State of the FSM. The amount was negotiated with the FSM Government and represents the fair market lease value of the land.

Section 216 of the Compact provides for a one-time payment to the governments of the freely associated states to finance initiation costs of the maritime jurisdiction and surveillance programs which each government will implement and recurrent grants to the governments for the initial fifteen years of the Compact to fund post-secondary scholarship programs, medical and health care expenses, and annual costs of the maritime surveillance and enforcement programs.

Section 221(b) provides for a recurrent grant of $10,000,000 for the initial fifteen years of the Compact to be paid to the governments of the freely associated states to finance governmental activities in the education and health care areas in accordance with Article XI of the Compact subsidiary agreement on Federal Programs and Services. This recurring grant is not subject to the full faith and credit pledge of Section 236 of the Compact.

In all, the $327,470,000 in funding required by the Compact for FY 1986 includes $181,500,000 of one-time payments. As a result, funding required in subsequent years by the terms of the Compact decreases significantly. For example, FY 1987 funding decreases to $144,270,000, less than half the level of funding for FY 1986.

In summary, the total supplemental request for FY 1986 is as follows:

Total FY 1986 Funding Required By Compact	$327,470,000
Reappropriation of Funds From FY 1986 Trust Territory of the Pacific Islands Appropriation	-56,527,000
FY 1986 Supplemental Required	$270,943,000
Annual Appropriation	(178,750,000)
Permanent Indefinate Appropriation	(92,193,000)

Table I (attached) illustrates FY 1986 funding levels required by the Compact by activity and subactivity. Table II (attached) displays the effect of the reappropriation of funds from the FY 1986 Appropriation for the Trust Territory of the Pacific Islands.

Table I

FY 1986 Budget Authority
Compact of Free Association
(in thousands of dollars)

	FY 1986
Assistance to the Marshall Islands	
Current Account	$ 18,900
Capital Account	10,500
Inflation Account	4,270
Kwajalein Impact	1,900
Investment Development Funds	10,000
Subtotal	45,570
Assistance to the FSM	
Current Account	42,600
Capital Account	24,000
Inflation Account	9,690
Investment Development Funds	20,000
Subtotal	96,290
Federal Services Assistance	
Section 122	280
Section 223	8,300
Section 232	10,170
Subtotal	18,750
Program Grant Assistance	
Section 177	150,000
Section 213(b)	160
Section 216	6,700
Section 221(b)	10,000
Subtotal	166,860
TOTAL COMPACT	$327,470

(178,750) Annual
(92,193) Perm. Indefinite
(56,527) Reappropriation

Table II

FY 1986 Reappropriation
Trust Territory of the Pacific Islands (TTPI) to Compact
(in thousands of dollars)

Trust Territory of the Pacific Islands	1986 Appropriation	FY 1986 Adjusted G-R-H	Reappropriation to Compact RMI & FSM	FY 1986 TTPI Balance Remaining
TTPI Operations:	$ 5,389	$ 5,157	$ 2,303 1/	$ 2,854
Administration	(2,435)	(2,330)	(0)	(2,330)
Satellite Communications	(974)	(932)	(789)	(143)
College of Micronesia	(1,590)	(1,522)	(1,237)	(285)
Prior Service Benefits	(390)	(373)	(277)	(96)
FSM Operations	40,505	38,763	38,763	0
Marshall Islands Operations	11,432	10,941	10,941	0
Palau Operations	10,537	10,083	0	10,083
Capital Improvements:	9,393	8,989	3,663	5,326
FSM Power	(994)	(951)	(951)	0
Marshall Islands:				
Jaluit Dock	(845)	(809)	(809)	0
Majuro Water	(1,988)	(1,903)	(1,903)	
Palau:				
Hospital	(4,970)	(4,756)	(0)	(4,756)
Power Generator	(596)	(570)	(0)	(570)
Enewetak Support	895	857	857	
Bikini Atoll Rehab. Committee	1,739	1,664	0	1,664
TOTAL	$79,890	$76,454	$56,527	$19,927

1/ Of this total, an estimated $662,000 would be applied to "Assistance to the Marshall Islands" and $1,641,000 would be applied to "Assistance to the Federated States of Micronesia."

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
COMPACT OF FREE ASSOCIATION
Supplemental now requested, existing legislation

Program and Financing (in thousands of dollars)

Identification code 10-82-0415-1-1-806	19 85 actual	19 86 estimate	19 87 estimate
Program by activities:			
1. Assistance to the Marshall Islands		20,398	6,000
2. Assistance to the Federated States of Micronesia		34,935	12,000
3. Federal Services Assistance		18,750	---
4. Program Grant Assistance		166,860	---
10.00 Total obligations		240,943	18,000
Financing:			
21.40 Unobligated balance available, start of year		---	-30,000
24.40 Unobligated balance available, end of year		30,000	12,000
39.00 Budget authority		270,943	---
Budget Authority:			
40.00 Appropriation (annual)		178,750	---
40.00 Appropriation (permanent indefinite)		92,193	---
43.00 Appropriation (adjusted)		270,943	---
Relation of obligations to outlays:			
71.00 Obligations incurred, net		240,943	18,000
90.00 Outlays		240,943	18,000
(Mono max. 11.5)	(Mono max. 5)	(Mono max. 5)	(Mono max. 6.0)

TIA-122

STANDARD FORM 300

DEPARTMENT OF THE INTERIOR
OFFICE OF TERRITORIAL AND INTERNATIONAL AFFAIRS
COMPACT OF FREE ASSOCIATION
Supplemental now requested, new legislation

Object Classification (in thousands of dollars)

Classification code 10-82-0415-1-1-806	19 85 actual	19 86 estimate	19 87 estimate
Direct Program:			
41.00 Grants, subsidies, and contributions	---	270,943	---
99.00 Total obligations	---	240,943	---
Personnel Summary			
Total number of full-time permanent positions	---	---	---
Total compensable workyears: Full-time equipment employment	---	---	---

TIA-123

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

OFFICE OF THE SECRETARY

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

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DEPARTMENT OF THE INTERIOR
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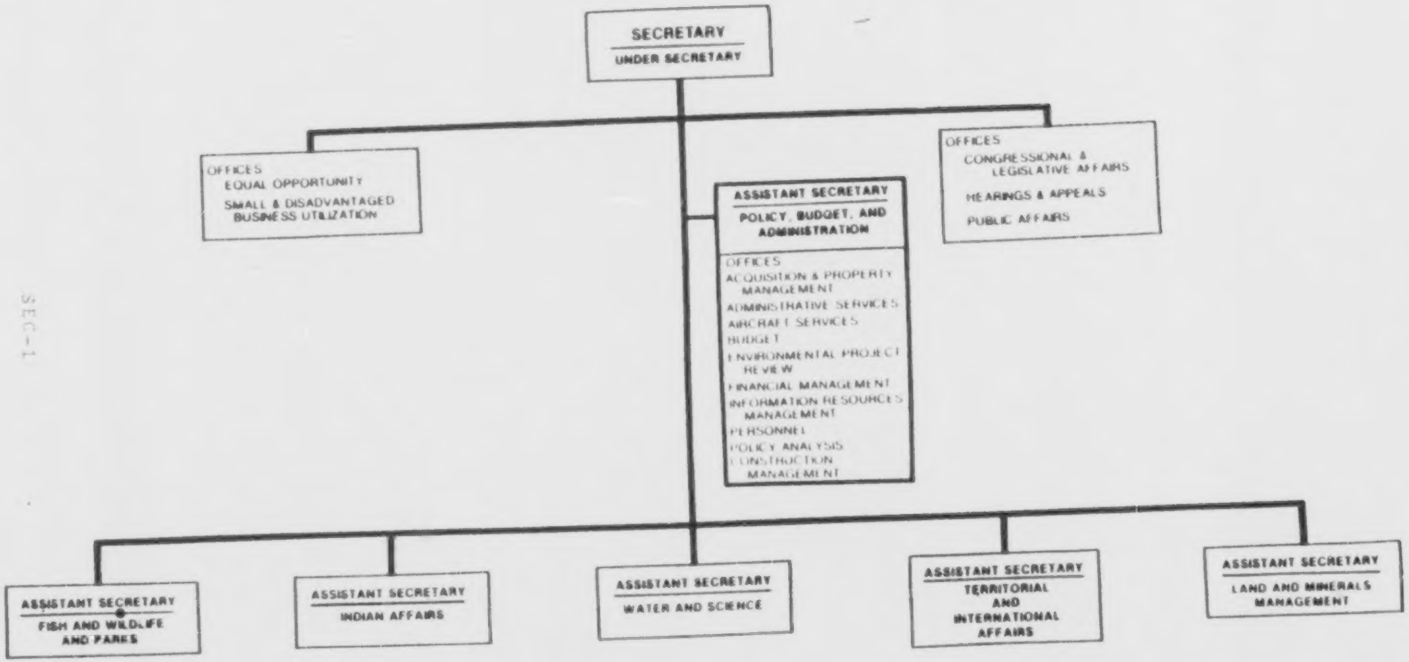
U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY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WATER AND SCIENCE
ASSISTANT SECRETARY
TERRITORIAL AND INTERNATIONAL AFFAIRS
ASSISTANT SECRETARY
LAND AND MINERALS MANAGEMENT

Note: Organization chart of Offices funded in the appropriations for the Office of the Secretary.

JANUARY [illegible]

General Statement

The Department of the Interior was created by act of Congress on March 3, 1849 to handle the Nation's internal affairs. It has evolved into the Nation's principal agency focusing on conservation and land use, with responsibility for most of our nationally owned public lands and natural resources. The Department serves people in all 50 States and has a major responsibility for American Indians and residents of Island Territories under U.S. administration.

The mission of the Interior Department is to properly manage the trust responsibilities of the United States and to encourage and provide for the preservation, development and management of the natural resources of the United States for the use, enjoyment and security of its people, now and in the future.

The 1987 budget for the Department continues to reflect changes consistent with the economic policies of the Administration and the Secretary's commitment to assure closer coordination with the various bureau and office staffs on Departmental and interagency programs. In 1987 the Department will continue to address major administration initiatives such as improving management efficiencies, reducing administrative functions, streamlining operations and organizations, and decreasing the deficit by reducing federal spending. The Department's 1987 budget continues to reflect support of these efforts to reduce spending while maintaining the integrity of essential programs.

The Secretary is requesting appropriations totalling $43,500,000 to provide executive direction, coordinated, effective policy development and oversight of the Department in-line with current Administration initiatives and to insure the efficient management and operation of Departmental activities.

The following summary provides a comparison between the 1986 appropriations enacted to date, and the 1987 request:

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc.(+) or Dec.(-) from Enacted	Permanent Employment 12/31/85
Appropriations Requested:					
Salaries and Expenses					
$	43,151	41,296	42,816	-335	
(FTE-T) ..	(704)	(704)	(604)	(-100)	677
Construction Management					
$	775	742	684	-91	
(FTE-T) ..	(13)	(13)	(10)	(-3)	11
Salaries and Expenses (Special Foreign Currency Program)					
$	994	951	--	-994	
(FTE-T) ..	(--)		(--)	(--)	--
Subtotal, Appropriations Requested $	44,920	42,989	43,500	-1,420	
(FTE-T) ..	(717)	(717)	(614)	(-103)	688

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc.(+) or Dec.(-) from Enacted	Permanent Employment 12/31/85
Other:					
Working Capital Fund (FTE-T) ..	(274)	(274)	(340)	(+66)	224
Reimbursements (FTE-T) ..	(29)	(29)	(20)	(-9)	18
Total, Office of the Secretary $	44,920	42,989	43,500	(-1,420)	861
(FTE-T) ..	(1,020)	(1,020)	(974)	(-46)	1/

1/ Reflects full-time with permanent appointments.

Highlights of the FY 1987 Request

The changes between the 1986 programs and the 1987 Budget are highlighted below by appropriation.

Salaries and Expenses

The Appropriation account "Office of the Secretary" is requested to be changed to "Salaries and Expenses". This title was used in previous years and is requested in order to help distinguish and avoid confusion between reference to bureau and account titles.

The 1987 Budget request for the Salaries and Expenses account continues to reflect changes consistent with the economic policies of the Administration and the Secretary's commitment to reduce federal spending.

The Secretary requests a net decrease of $335,000 and 100 work years from 1986 amounts enacted to date to finance the executive direction and management of the Department's activities, and to carry out the responsibilities of this Cabinet level office in support of Administration initiatives. The changes are detailed as follows:

- $+1,457,000 for increased GSA space cost (SLUC);
- A transfer of -66 work years and realignment of funds between Administrative Services and Central Services to reflect the cost of the Office of the Secretary's share of Fiscal, Personnel and General Services, WCF support. This change will reflect the total Office of the Secretary's share of WCF Administrative costs in one activity, Central Services, rather than divided between Administrative Services and Central Services; and
- $-1,792,000 and -34 work years applied to offices throughout the account. These reductions reflect the Department's support of the Administration's initiatives to reduce federal spending by achieving economies and efficiencies and thereby reducing the deficit.

Construction Management

This appropriation provides for the expenses of the Office of Construction Management to continue an oversight and monitoring role in assisting the bureaus and offices of the Department in planning, designing, constructing and operating facilities. Since 1979, this program has focused its efforts on the Bureau of Indian Affairs by providing direct and contract support in development and implementation of operational improvements in their facilities program. Resources requested under the Office of the Secretary for this activity in 1987 total $684,000 and 10 workyears, a decrease of $91,000 and 3 work years from 1986 amounts enacted to date.

This reduction reflects the Departments support of Administration initiatives to reduce federal spending by achieving economies and efficiencies and therby reducing the deficit.

Salaries and Expenses (Special Foreign Currency Program)

This account includes contract funds, using excess foreign currencies, to provide for research performed by foreign countries in support of the Department's domestic endangered species and mining reclamation programs. Funds appropriated for the Special Foreign Currency Program in prior years have been allocated to the bureaus to be utilized in specific research programs beneficial to the bureaus. No funds are requested for this program in 1987, for a decrease of $994,000 from 1986 amounts enacted to date.

Authorization

The basic authorizing legislation for the Office of the Secretary is 43 U.S.C. 1451-1457 and Reorganization Plan No. 3 of 1950.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

Appropriation Summary Statement
(Program and Performance)

The funds requested in this Appropriation will enable the Secretary to carry out his responsibilities and provide the leadership, supervision, policy and oversight of the bureaus and programs of the Department and will finance the following activities:

1. Departmental Direction - The Office of the Secretary and the Office of Public Affairs provide top Departmental direction and contact with the public. The Office for Equal Opportunity administers the Department's responsibilities in equal opportunity programs. Other secretarial offices provide coordination of correspondence, legislation, Congressional liaison and minority programs.

2. Program Direction and Coordination - Six Assistant Secretaries advise and assist the Secretary on matters of policy for promoting the domestic welfare and the conservation and development of the country's resources, Indian affairs, and responsibilities with regard to the territories of the United States and the Department's international activities, and all phases of Departmental policy, budget and administrative activities.

3. Policy, Budget and Administration - This activity provides for implementation of program and budget policy, economic analysis, environmental review, financial management, personnel, administrative services, library and information services and security operations.

4. Hearings and Appeals - This activity provides the quasi-judicial and appellate responsibilities of the Department of the Interior. Administrative law judges and formal boards of appeals render decisions in cases pertaining to: (a) contract disputes; (b) Indian probate matters; (c) public and acquired lands and their resources; (d) submerged offshore lands of the Outer Continental Shelf; (e) surface mining; (f) personnel grievances; (g) environmental impacts; (h) enforcement of the importation and transportation of rare and endangered species; (i) environmental quality; (j) uniform relocation assistance and real property appeals; and (k) Alaska Native claims appeals.

5. Aircraft Services - This activity serves as the aviation policy office for the Department to improve Department of the Interior aviation safety and aviation cost effectiveness. This office has Departmentwide responsibility and authority to establish and maintain Departmental air operation standards and provide technical services support to bureaus for aircraft related problems.

6. Central Services - This activity provides for general administrative expenses including space, postage, FTS, employee compensation and unemployment compensation payments, and this appropriations share of Working Capital Fund Costs, etc., for the offices financed by this appropriation.

Appropriation Language Sheet

SALARIES AND EXPENSES

[*OFFICE OF THE SECRETARY*]

For necessary expenses of the Office of the Secretary of the Interior, [*$43,411,000*], *of which not to exceed $10,000 may be for official reception and representation expenses*[*: Provided, That notwithstanding any other provision of law, of the funds provided under this heading, not to exceed $300,000 shall be used to pay or repay the costs of development of alternative winter stock water supplies by water users who have been deprived of winter stock water from the main channel of Willow Creek, Idaho, below Ririe Dam and Reservoir because of the operation of the dam and reservoir (hereinafter in this account referred to as claimants).* $42,316,000,

Any payment to a claimant made under this section shall constitute full settlement and satisfaction of all claims such claimant may have against the United States relating to the loss of winter stock water from Willow Creek, Idaho. The provisions of this section shall not apply to any claim settled prior to the date of enactment of this Act.

The Secretary shall make a payment to a claimant only if—

(1) the claimant notifies the Secretary of his claim within six months after the date of enactment of this Act;

(2) the claimant provides an affidavit proving, to the satisfaction of the Secretary, his use of winter stock water from Willow Creek prior to December 31, 1979; and

(3) the claimant executes a waiver and release, in a manner satisfactory to the Secretary, of any and all claims against the United States relating to the loss of winter stock water from Willow Creek, Idaho. Such waiver and release shall be recorded in the county where the claimant's land is located.

Any claimant who has developed an alternate winter stock water supply since December 31, 1979, shall be eligible for a payment of an amount equal to the actual construction costs incurred by such claimant in the development of such supply, as determined by the Secretary.

Any claimant who has not developed an alternate winter stock water supply as of the date of enactment of this Act, shall be eligible for a payment of an amount equal to the funds necessary for the development of such supply, as determined by the Secretary. The Secretary's determination shall be based on the size and configuration of the claimant's land and on the size and type of the claimant's livestock operation.

Costs and expenses incurred by a claimant in the operation and maintenance of his alternate winter stock water supply shall not be reimbursable].

(43 U.S.C. 1451, 1457; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Lanaguage Changes

Salaries and Expenses

1. Title Change:

This request proposes to change the appropriation account title from "Office of the Secretary" to "Salaries and Expenses" to more accurately reflect the nature of the account.

2. Deletion: "............................... *Provided, That notwithstanding any other provision of law, of the funds provided under this heading, not to exceed $300,000 shall be used to pay or repay the costs of development of alternative winter stock water supplies by water users who have been deprived of winter stock water from the main channel of Willow Creek, Idaho, below Ririe Dam and Reservoir because of the operation of the dam and reservoir (hereinafter in this account referred to as claimants).*

Any payment to a claimant made under this section shall constitute full settlement and satisfaction of all claims such claimant may have against the United States relating to the loss of winter stock water from Willow Creek, Idaho. The provisions of this section shall not apply to any claim settled prior to the date of enactment of this Act.

The Secretary shall make a payment to a claimant only if—

(1) the claimant notifies the Secretary of his claim within six months after the date of enactment of this Act;

(2) the claimant provides an affidavit proving, to the satisfaction of the Secretary, his use of winter stock water from Willow Creek prior to December 31, 1979; and

(3) the claimant executes a waiver and release, in a manner satisfactory to the Secretary, of any and all claims against the United States relating to the loss of winter stock water from Willow Creek, Idaho. Such waiver and release shall be recorded in the county where the claimant's land is located.

Any claimant who has developed an alternate winter stock water supply since December 31, 1979, shall be eligible for a payment of an amount equal to the actual construction costs incurred by such claimant in the development of such supply, as determined by the Secretary.

Any claimant who has not developed an alternate winter stock water supply as of the date of enactment of this Act, shall be eligible for a payment of an amount equal to the funds necessary for the development of such supply, as determined by the Secretary. The Secretary's determination shall be based on the size and configuration of the claimant's land and on the size and type of the claimant's livestock operation.

Costs and expenses incurred by a claimant in the operation and maintenance of his alternate winter stock water supply shall not be reimbursable."

This language was included in the 1986 Appropriation Bill to provide funds for development of alternate winter stock water supplies for Willow Creek, Idaho. This over-time project is not included in the 1987 request, therefore, the language is no longer required.

OFFICE OF THE SECRETARY

Appropriation Language Citations

Appropriation: Salaries and Expenses

Appropriation language and citations:

1. For necessary expenses of the Office of the Secretary of the Interior, $____,

43 U.S.C. 1451, 1457

Reorganization Plan No. 3 of 1950; 64 Stat. 1262, as amended, 66 Stat. 121.

43 U.S.C. 1451 provides that: "There shall be at the seat of government an executive Department to be known as the Department of the Interior, and a Secretary of the Interior, who shall be the head thereof."

43 U.S.C. 1457 Duties of the Secretary - The Secretary of the Interior is charged with the supervision of public business relating to the following subjects and agencies:

1. Alaska Railroad.
2. Alaska Road Commission.
3. Bounty Lands.
4. Bureau of Land Management.
5. Bureau of Mines.
6. Bureau of Reclamation.
7. Division of Territories and Island Possessions.
8. Fish and Wildlife Service.
9. Geological Survey.
10. Indians.
11. National Park Service.
12. Petroleum Conservation.
13. Public Lands, including mines.

Reorganization Plan No. 3 states that: (a) "Except as otherwise provided in subsection (b) of this section, there are hereby transferred to the Secretary of the Interior all functions of all other offices of the Department of the Interior and all functions of all agencies and employees of such Department..." (b) "This section shall not apply to the functions vested by the Administrative Procedure Act (60 Stat. 237) [now covered by sections 551 et seq. and 701 et seq. of Title 5, Government Organization and Employees] in hearing examiners employed by the Department of the Interior, nor to the functions of the Virgin Islands Corporation or of its Board of Directors or officers."

All functions of all other officers of the Department of the Interior and all functions of all agencies and employees of such Department were, with the two exceptions, transferred to the Secretary of the Interior, with power vested in him to authorize their performance or the performance of any of his functions by any of such offices, agencies and employees.

Under authority of Reorganization Plan No. 3 of 1950, the Secretary is empowered to effect transfers of functions and responsibilities, with certain exceptions, and delegate authorities within the Department or its agencies to address changing requirements in the overall organization of the Department.

2. of which not to exceed $ ______ may be for offical reception and representation expenses

No specific authority.

The Secretary, as a member of the President's Cabinet, is called upon from time to time to hold official receptions for foreign dignitaries and other high ranking officials. The above language both authorizes and limits the amount of funds used for this purpose.

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1986 Estimate
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission		Format of Fiscal 1987 Congressional Budget Submission	
Appropriation/Activity/Subactivity	Amount 1986 Estimate	Appropriation/Activity/Subactivity	Amount 1986 Estimate
Office of the Secretary		Salaries and Expenses	
(1) Departmental Direction		(1) Departmental Direction	
a. SECY'S IMMED OFFICE	1,426	a. SECY'S IMMED OFFICE	1,426
b. EXEC SECRETARIAT	210	b. EXEC SECRETARIAT	210
c. CONG & LEGIS AFFAIRS	1,093	c. CONG & LEGIS AFFAIRS	1,093
d. EQUAL OPPORTUNITY	1,292	d. EQUAL OPPORTUNITY	1,292
e. PUBLIC AFFAIRS	696	e. PUBLIC AFFAIRS	696
f. SM & DISADV BUS UTIL	398	f. SM & DISADV BUS UTIL	398
Total, Departmental Direction	5,115	Total, Departmental Direction	5,115
(2) Program Direction and Coordination		(2) Program Direction and Coordination	
a. A/S-WATER & SCIENCE	745	a. A/S-WATER & SCIENCE	745
b. A/S-LAND & MIN MGMT	785	b. A/S-LAND & MIN MGMT	785
c. A/S-FISH & WLD & PKS	766	c. A/S-FISH & WLD & PKS	766
d. A/S-INDIAN AFFAIRS	739	d. A/S-INDIAN AFFAIRS	739
e. A/S-TERR & INT'L AFF	548	e. A/S-TERR & INT'L AFF	548
f. A/S-POLICY, BUD & ADM	790	f. A/S-POLICY, BUD & ADM	790
Total, Prog. Direction & Coordination	4,373	Total, Prog. Direction & Coordination	4,373
(3) Policy, Budget and Administration		(3) Policy, Budget and Administration	
a. ENVIRON PROJ REVIEW	1,491	a. ENVIRON PROJ REVIEW	1,491
b. ACQUIS & PROP MGMT	1,342	b. ACQUIS & PROP MGMT	1,342
c. PERSONNEL	1,610	c. PERSONNEL	1,610
d. ADMINISTRATIVE SVCS	3,230	d. ADMINISTRATIVE SVCS	3,230

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1986 Estimate
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission		Format of Fiscal 1987 Congressional Budget Submission	
Appropriation/Activity/Subactivity	Amount 1986 Estimate	Appropriation/Activity/Subactivity	Amount 1986 Estimate
Office of the Secretary		Salaries and Expenses	
e. INFO RESOURCES MGMT	4,672	e. INFO RESOURCES MGMT	4,672
f. POLICY ANALYSIS	2,286	f. POLICY ANALYSIS	2,286
g. BUDGET	1,516	g. BUDGET	1,516
h. FINANCIAL MANAGEMENT	1,014	h. FINANCIAL MANAGEMENT	1,014
Total, Policy, Budget & Admin	17,161	Total, Policy, Budget & Admin	17,161
(4) HEARINGS & APPEALS	5,766	(4) HEARINGS & APPEALS	5,766
(5) AIRCRAFT SERVICES	1,889	(5) AIRCRAFT SERVICES	1,889
(6) CENTRAL SERVICES	8,847	(6) CENTRAL SERVICES	8,847
Total, Office of the Secretary	43,151	Total, Salaries and Expenses	43,151
Construction Management		Construction Management	
(1) Construction Management	775	(1) Construction Management	775

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1986 Estimate
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission		Format of Fiscal 1987 Congressional Budget Submission	
Appropriation/Activity/Subactivity	Amount 1986 Estimate	Appropriation/Activity/Subactivity	Amount 1986 Estimate
Salaries and Expenses (Special Foreign Currency Program):		Salaries and Expenses (Special Foreign Currency Program):	
(1) Endangered Species........................	994	(1) Endangered Species........................	994
Grand Total, Office of the Secretary.........	44,920	Grand Total, Office of the Secretary.........	44,920

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1987 Request
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission		Format of Fiscal 1987 Congressional Budget Submission	
Appropriation/Activity/Subactivity	Amount 1987 Estimate	Appropriation/Activity/Subactivity	Amount 1987 Estimate
Office of the Secretary		Salaries and Expenses	
(1) Departmental Direction		(1) Departmental Direction	
a. SECY'S IMMED OFFICE	1,426	a. SECY'S IMMED OFFICE	1,426
b. EXEC SECRETARIAT	210	b. EXEC SECRETARIAT	210
c. CONG & LEGIS AFFAIRS	1,093	c. CONG & LEGIS AFFAIRS	1,093
d. EQUAL OPPORTUNITY	1,197	d. EQUAL OPPORTUNITY	1,197
e. PUBLIC AFFAIRS	696	e. PUBLIC AFFAIRS	696
f. SM & DISADV BUS UTIL	398	f. SM & DISADV BUS UTIL	398
Total, Departmental Direction	5,020	Total, Departmental Direction	5,020
(2) Program Direction and Coordination		(2) Program Direction and Coordination	
a. A/S-WATER & SCIENCE	691	a. A/S-WATER & SCIENCE	691
b. A/S-LAND & MIN MGMT	729	b. A/S-LAND & MIN MGMT	729
c. A/S-FISH & WLD & PKS	711	c. A/S-FISH & WLD & PKS	711
d. A/S-INDIAN AFFAIRS	686	d. A/S-INDIAN AFFAIRS	686
e. A/S-TERR & INT'L AFF	508	e. A/S-TERR & INT'L AFF	508
f. A/S-POLICY, BUD & ADM	733	f. A/S-POLICY, BUD & ADM	733
Total, Prog. Direction & Coordination	4,058	Total, Prog. Direction & Coordination	4,058
(3) Policy, Budget and Administration		(3) Policy, Budget and Administration	
a. ENVIRON PROJ REVIEW	1,404	a. ENVIRON PROJ REVIEW	1,404
b. ACQUIS & PROP MGMT	1,264	b. ACQUIS & PROP MGMT	1,264
c. PERSONNEL	1,517	c. PERSONNEL	1,517
d. ADMINISTRATIVE SVCS	3,168	d. ADMINISTRATIVE SVCS	1,032

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1987 Request
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission		Format of Fiscal 1987 Congressional Budget Submission	
Appropriation/Activity/Subactivity	Amount 1987 Estimate	Appropriation/Activity/Subactivity	Amount 1987 Estimate
Office of the Secretary		Salaries and Expenses	
e. INFO RESOURCES MGMT	4,397	e. INFO RESOURCES MGMT	4,397
f. POLICY ANALYSIS	2,151	f. POLICY ANALYSIS	2,151
g. BUDGET	1,426	g. BUDGET	1,426
h. FINANCIAL MANAGEMENT	954	h. FINANCIAL MANAGEMENT	954
Total, Policy, Budget & Admin	16,281	Total, Policy, Budget & Admin	14,145
(4) HEARINGS & APPEALS	5,339	(4) HEARINGS & APPEALS	5,339
(5) AIRCRAFT SERVICES	1,814	(5) AIRCRAFT SERVICES	1,814
(6) CENTRAL SERVICES	10,304	(6) CENTRAL SERVICES	12,440
Total, Office of the Secretary	42,816	Total, Salaries and Expenses	42,816
Construction Management		Construction Management	
(1) Construction Management	684	(1) Construction Management	684

OFFICE OF THE SECRETARY

Activity/Subactivity Change Crosswalk - FY 1987 Request
(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission

Appropriation/Activity/Subactivity	Amount 1987 Estimate
Salaries and Expenses (Special Foreign Currency Program):	
(1) Endangered Species......................	0
Grand Total, Office of the Secretary.........	43,500

Format of Fiscal 1987 Congressional Budget Submission

Appropriation/Activity/Subactivity	Amount 1987 Estimate
Salaries and Expenses (Special Foreign Currency Program):	
(1) Endangered Species......................	0
Grand Total, Office of the Secretary.........	43,500

OFFICE OF THE SECRETARY
Salaries and Expenses
Summary of requirements
(Dollar Amounts in Thousands)

Appropriation: Salaries and Expenses (Office of the Secretary)

Summary of base adjustments:	FTE-T	Amount	FTE-T	Amount
Appropriation, FY 1986			704	43,151
Reductions pursuant to Public Law 99-177				-1,855
Adjusted FY 1986 Appropriation			704	41,296
Adjustments to base:				
Transfers:				
Workyear transfer to the "Working Capital Fund" for overhead support	-66			
Other increases and/or decreases:				
Rental payments to GSA		1,457		
Adjustment for 1986 impact of Public Law 99-177		1,855		
Total, adjustments to base			-66	3,312
FY 1987 Base Budget			638	44,608
Program changes			-34	-1,792
Total Requirements (FY 1987 Estimate)			604	42,816

OFFICE OF THE SECRETARY
Salaries and Expenses
Summary of requirements
(Dollar Amounts in Thousands)

Comparison by activity/ subactivity:	FY 1985 Actual		FY 1986 Enacted to Date		P.L. 99-177 Reductions	FY 1986 Adjusted Appropriation	FY 1987 Base Budget		FY 1987 Estimate		FY 1987 Inc/Dec - from FY 1986 Appropriation		FY 1987 Inc/Dec - from FY 1986 Adjusted Appropriation	FY 1987 Inc/Dec - from FY 1987 Base	
	FTE-T	Amount	FTE-T	Amount	Amount	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	Amount	FTE-T	Amount
Departmental direction:															
Secretary's immediate office......	37	1,469	26	1,426	-61	1,365	26	1,426	26	1,426	0	0	61	0	0
Executive secretariat.............	12	210	7	210	-9	201	7	210	7	210	0	0	9	0	0
Cong. & legislative Affairs.......	25	1,180	24	1,093	-47	1,046	24	1,093	24	1,093	0	0	47	0	0
Equal opportunity.................	36	1,420	31	1,292	-56	1,236	31	1,292	29	1,197	-2	-95	-39	-2	-95
Public affairs....................	17	726	16	696	-30	666	16	696	16	696	0	0	30	0	0
Small & disadv. business util.....	9	438	7	398	-17	381	7	398	7	398	0	0	17	0	0
Subtotal.......................	136	5,443	111	5,115	-220	4,895	111	5,115	109	5,020	-2	-95	125	-2	-95
Program direction & coordination:															
A/S-Water & science...............	13	766	14	745	-32	713	14	745	14	691	0	-54	-22	0	-54
A/S-Land & minerals management....	13	808	14	785	-34	751	14	785	14	729	0	-56	-22	0	-56
A/S-Fish & wildlife & parks.......	13	789	14	766	-33	733	14	766	14	711	0	-55	-22	0	-55
A/S-Indian affairs................	6	744	13	739	-32	707	13	739	13	686	0	-53	-21	0	-53
A/S-Territorial & int'l. affairs..	8	567	8	548	-24	524	8	548	8	508	0	-40	-16	0	-40
A/S-Policy, budget & admin........	16	804	14	790	-34	756	14	790	14	733	0	-57	-23	0	-57
Subtotal.......................	69	4,478	77	4,373	-189	4,184	77	4,373	77	4,058	0	-315	-126	0	-315
Policy budget & administration:															
Environmental project review......	30	1,569	30	1,491	-64	1,427	30	1,491	28	1,404	-2	-87	-23	-2	-87
Acquisition & property mgmt.......	24	1,432	23	1,342	-58	1,284	23	1,342	21	1,264	-2	-78	-20	-2	-78
Office of personnel...............	35	1,661	33	1,610	-69	1,541	33	1,610	30	1,517	-3	-93	-24	-3	-93
Administrative services...........	91	3,364	90	3,230	-139	3,091	24	1,094	22	1,032	-68	-2,198	-2,059	-2	-62
Information resources management..	93	4,880	104	4,672	-201	4,471	104	4,672	96	4,397	-8	-275	-74	-8	-275
Policy analysis...................	36	2,305	42	2,286	-98	2,188	42	2,286	39	2,151	-3	-135	-37	-3	-135
Office of budget..................	25	1,526	27	1,516	-65	1,451	27	1,516	25	1,426	-2	-90	-25	-2	-90
Financial management..............	18	1,052	18	1,014	-44	970	18	1,014	17	954	-1	-60	-16	-1	-60
Subtotal.......................	352	17,789	367	17,161	-738	16,423	301	15,025	278	14,145	-89	-3,016	-2,278	-23	-880

OFFICE OF THE SECRETARY
Salaries and Expenses
Summary of requirements
(Dollar Amounts in Thousands)

Comparison by activity/ subactivity:	FY 1985 Actual		FY 1986 Enacted to Date		P.L. 99-177 Reductions	FY 1986 Adjusted Appropriation	FY 1987 Base Budget		FY 1987 Estimate		FY 1987 Inc/Dec - from FY 1986 Appropriation		FY 1987 Inc/Dec - from FY 1986 Adjusted Appropriation	FY 1987 Inc/Dec - from FY 1987 Base	
	FTE-T	Amount	FTE-T	Amount	Amount	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	Amount	FTE-T	Amount
Hearings & appeals:..................	110	6,098	111	5,766	-248	5,518	111	5,766	104	5,339	-7	-427	-179	-7	-427
Aircraft services:..................	38	1,982	38	1,889	-81	1,808	38	1,889	36	1,814	-2	-75	6	-2	-75
Central services:..................	0	8,843	0	8,847	-379	8,468	0	12,440	0	12,440	0	3,593	3,972	0	0
Total requirements.............	705	44,633	704	43,151	-1,855	41,296	638	44,608	604	42,816	-100	-335	1,520	-34	-1,792

SALARIES AND EXPENSES

Justification of Base Adjustments
(Dollar amounts in thousands)

	FTE-T	Amount
Transfers:		
Transfer of workyears for overhead support to the Working Capital Fund	-66	--

Workyears related to Fiscal, Personnel and General Services Working Capital Fund overhead support are proposed to be transferred and more properly reflected in the Working Capital Fund account, where the support work is performed and cost incurred. Direct funds associated with these workyears ($2,136,000) are now reflected in the Central Services activity, where the Office of the Secretary will continue to pay for this support as part of the overall Working Capital Fund costs funded in this activity. This change does not change the overall direct funding level for the appropriation.

Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	--	+1,855

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Other increases and/or decreases:		
Rent payments to GSA (SLUC)	--	+1,457

The GSA conducted a Fair Annual Rental (FAR) appraisal for 1987 which resulted in increases over rates charged in 1986. The FAR estimate for 1986 was subtracted from the 1987 rent payments to GSA.

Total, base adjustments	-66	$+3,312

SALARIES AND EXPENSES

Activity:
Departmental Direction

Activity Summary
(Dollars in thousands)

Subactivity:	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc + Dec - 1987 Est. Over 1987 Base
SECY'S IMMED OFFICE...	1,469	1,426	1,365	1,426	1,426	0
EXEC SECRETARIAT......	210	210	201	210	210	0
CONG & LEGIS AFFAIRS..	1,180	1,093	1,046	1,093	1,093	0
EQUAL OPPORTUNITY.....	1,420	1,292	1,236	1,292	1,197	-95
PUBLIC AFFAIRS........	726	696	666	696	696	0
SM & DISADV BUS UTIL..	438	398	381	398	398	0
Total, Departmental Direction	5,443	5,115	4,895	5,115	5,020	-95

Activity: Program
Direction & Coordination

(Dollars in thousands)

Subactivity:	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc + Dec - 1987 Est. Over 1987 Base
A/S-WATER & SCIENCE...	766	745	713	745	691	-54
A/S-LAND & MIN MGMT...	808	785	751	785	729	-56
A/S-FISH & WLD & PKS..	789	766	733	766	711	-55
A/S-INDIAN AFFAIRS....	744	739	707	739	686	-53
A/S-TERR & INT'L AFF..	567	548	524	548	508	-40
A/S-POLICY, BUD & ADM.	804	790	756	790	733	-57
Total, Program Direction & Coordination	4,478	4,373	4,184	4,373	4,058	-315

Activity: Policy,
Budget & Administration

(Dollars in thousands)

Subactivity:	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc + Dec - 1987 Est. Over 1987 Base
ENVIRON PROJ REVIEW...	1,569	1,491	1,427	1,491	1,404	-87
ACQUIS & PROP MGMT....	1,432	1,342	1,284	1,342	1,264	-78
PERSONNEL.............	1,651	1,610	1,541	1,610	1,517	-93
ADMINISTRATIVE SVCS...	3.364	3,230	3,091	1,094	1,032	-62
INFO RESOURCES MGMT...	4,880	4,672	4,471	4,672	4,397	-275
POLICY ANALYSIS.......	2,305	2,286	2,188	2,286	2,151	-135
BUDGET................	1,526	1,516	1,451	1,516	1,426	-90
FINANCIAL MANAGEMENT..	1,052	1,014	970	1,014	954	-60
Total, Policy, Budget & Administration	17,789	17,161	16,423	15,025	14,145	-880

Activity:

(Dollars in thousands)

	FY 1985 Actual (B.A.)	FY 1986 Approp. Enacted	FY 1986 Adjusted Approp.	FY 1987 Base	FY 1987 Estimate	Inc + Dec - 1987 Est. Over 1987 Base
HEARINGS & APPEALS....	6,098	5,766	5,518	5,766	5,339	-427
AIRCRAFT SERVICES.....	1,982	1,889	1,808	1,889	1,814	-75
CENTRAL SERVICES......	8,843	8,847	8,468	12,440	12,440	0
Total, Departmental Management	44,633	43,151	41,296	44,608	42,816	-1792

Authorization:

The basic authorization for the Office of the Secretary is 43 U.S.C. 1451-1457 and Reorganization Plan No. 3 of 1950. Additional specific authorizations are cited as appropriate by activity/subactivity.

Justification of Program and Performance

Activity: DEPARTMENTAL DIRECTION
Subactivity: Secretary's Immediate Office

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,426	1,365	1,426	1,426	--
(FTE-T)	(26)		(26)	(26)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,426	-61	1,365

As a result of the $61 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Secretary of the Interior is responsible for providing, on a Departmental basis, executive direction in the areas of publicly-owned land and natural resources. This includes fostering the wisest use of our land and water resources, protecting our fish and wildlife, preserving the environmental and cultural values of our national parks and historical places, and providing for the enjoyment of life through outdoor recreation. The Department has responsibility for the American Indian reservation communities and for people who live in Island Territories under United States administration.

The Office of the Secretary, under this Administration, has endeavored to bring common sense and balanced management to the Department through heightening the quality of America's environment and freeing the energy resources necessary to America's present and future growth, and providing stewardship to protect and conserve America's natural resource heritage.

Base Program: Secretary's Immediate Office provides the direct staff assistance to the Secretary necessary for the overall direction and coordination responsibilities of the Department.

In 1987 the Secretary will continue to address major Administration initiatives identified in 1986 such as improved management efficiencies by reducing administrative functions, streamlining operations and organizations, and decreasing the deficit by reducing federal spending. The Department's 1987 budget reflects the Secretary's support of these efforts to reduce spending while maintaining the integrity of essential programs. The austerity measures which the Office of the Secretary plans to implement are reflective of the Secretary's continuing commitment to ensure both the economic and environmental security of the Nation and service in the public interest.

Issues addressed by the Department in 1987 will include, new and increased recreation fees, additional emphasis on sports fisheries programs, onshore and offshore minerals leasing, timber production and continued emphasis on land reclamation programs.

No increase in funds is requested for 1987.

Subactivity: Executive Secretariat

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) From Base
$	210	201	210	210	---
(FTE-T)	(7)		(7)	(7)	(---)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	210	-9	201

As a result of the $9 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Executive Secretariat (ES) is the major organizational unit for the Secretary's and Under Secretary's use in managing the daily affairs of the Department. Its objectives are to provide a substantive review of memos or correspondence for Secretarial or Under Secretarial review, signature, or decision for continuity with past policy statements or conformance with current policy positions. All incoming documents are reviewed in ES to ensure that all bureaus with an interest in the issue have concurrence or have expressed their comments. This function enhances efficiency as it allows the Secretary or Under Secretary to receive a Departmental perspective of the issue on the first review. The ES controls and monitors memos, correspondence, briefing material and invitations requiring Secretarial or Under Secretarial action within a specified timeframe to ensure an accurate, appropriate, timely response. The ES will transmit to staff and monitor at the request of the Secretary and or Under Secretary, the development of informal requests for additional information or additional work to be done on existing issues. The ES also maintains files referenced three ways and current issue files to provide the Secretary with a source for quick answers on issue status, signed correspondence, and completed action memos.

Base Program: The Executive Secretariat provides a linkage between the Secretary's and Under Secretary's policy direction and DOT staff response. As memos and correspondence are routed through ES, they are examined for substantive ambiguities, or contradiction, style, format and coordination to ensure that the Secretary and Under Secretary review the document only once, maximizing the efficient use of their time. Through consolidation of several channels of information, ES tracks, ensures coordination and maintains files on over 1,500 items a month. The type of controlled documents, complexity of issues and diversity of opinion result in each item being reviewed individually to ensure a firm basis for the Secretary's or Under Secretary's policy decisions.

The follow-up function of ES reduces the potential that critical, time-sensitive correspondence from DOI staff, Congress, the public, industry and other Federal agencies will not be mishandled, lost or delayed.

ES also expedites the development and coordination of documents requiring immediate action and consults closely with staff to develop procedures that reduce the response time for issue or correspondence development, assists coordination across bureaus, and defines clearer standards of accountability in DOI standard operating procedures.

No increase in funds is requested for 1987.

Subactivity: Office of Congressional and Legislative Affairs

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,093	1,046	1,093	1,093	--
(FTE-T)	(24)		(24)	(24)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,093	-47	1,046

As a result of the $47 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Congressional and Legislative Affairs discharges the duties of the Secretary of the Interior with the authority and direct responsibility for programs associated with legislative and Congressional liaison activities. The office serves as the Department's principal liaison with Congressional committees (except appropriations) and individual Members of Congress; communicates policies of the Department and viewpoints of the Secretary regarding Congressional and legislative matters and dispatches press releases and information to interested Members and their staffs as decisions are made; notifies Members of contract and grant awards in their constituency; supervises the coordination, unification and presentation of the Department's views on legislation, through formal reports or testimony by Departmental representatives to the Office of Management and Budget for clearance and then to the Congress; as a service to Members of Congress drafts legislation relating to the Department's programs, as requested; arranges for and participates in briefings on the administration of all programs related to the Department; coordinates and handles thousands of varied written and telephone requests from Members of Congress and their staffs in an expeditious manner; develops and updates fact sheets on the Department's views in response to matters of extreme public concern regarding Departmental issues and provides copies of these materials to Congressional offices for their perusal in responding to constituent inquiries.

Base Program: The office handles a full range of congressional and legislative responsibilities. It expeditiously reviews all Congressional correspondence addressed to the Secretary, Under Secretary and Director of Congressional and Legislative Affairs. In cooperation with the Executive Secretariat, this office serves as the center for Departmental direction and guidance in responding to Congressional mail and inquiries. On an annual basis, this office prepares final responses to approximately 550 pieces of correspondence addressed to the

Secretary and the Director of Congressional and Legislative Affairs and expects to continue at the same level in 1986 and 1987. The office assures that the Secretary's policies are appropriately articulated, that all clearances are received and that all responses to correspondence have been reviewed by appropriate personnel.

The office handles telephone inquiries from the Congress and the general public on every aspect of Departmental activities. These phone calls and letters require considerable staff work by this office and by the Department in order to provide appropriate and expeditious responses.

The office assures that regulations developed for Secretarial submission to the Hill are properly cleared and coordinated prior to dissemination. It is also responsible for monitoring the timely preparation, the clearance process, and the delivery of statutory reports to Congress.

The office coordinates the development of the Department's views on legislative matters, other than those before the appropriation committees, the presentation of these views to the Congress in reports and testimony, and the appearances of Departmental representatives before the Congress.

In 1985, the office handled Departmental testimony and appearances at approximately 160 hearings. A comparable rate through 1987 is expected. Our activities in this regard entail development and clearance of testimony, provision of background material and review of transcripts to provide follow-up. In response to requests from Congressional committees for reports on legislation and for. Departmental representatives to appear at hearings, the office circulates legislation through the Department for comment, arbitrates interdepartmental disagreements on the legislation, prepares a formal report to the committee, supervises the selection of a witness and preparation of testimony, coordinates the review and clearance of the report and testimony by the Department and the Office of Management and Budget (OMB), and assures that the report and testimony are delivered to the committees in a timely fashion, as requested by the committees and OMB. Staff also responds to requests from OMB for Departmental views on legislation, other agencies' reports on legislation, and other agencies' legislative proposals. In addition the office supervises preparation and clearance of Departmental legislative proposals, provides technical assistance and bill drafting services to Members of Congress upon request and reviews all Departmental correspondence discussing pending legislation. A regular summary of Congressional action is published, including upcoming hearings, floor and committee action, and information of interest to the Department in the Congressional Record. Reviews and edits of transcripts of Congressional hearings are made and requests from committees for supplemental information are answered appropriately. The office establishes and maintains the Department's official legislative history files, maintains files of bills, Congressional documents, and public laws, and serves as the central clearinghouse for inquiries from bureaus and offices, the Congress, OMB and other Executive agencies, and the general public about the Department's position on pending legislation.

Much of the work cannot be quantified, but a substantial amount of time is spent in daily meetings with Departmental staffs, Congressional committees and Members and their staffs, the White House and OMB. New Congressional staffs have frequently requested that members of our staff attend sessions on the Hill concerning current Departmental issues of concern to Members and their constituents. Trips to the Hill by staff to provide information on the Department's programs, policies and plans are expected to continue at a consistent level in 1986 and 1987. In order to keep Congressional offices abreast of issues relating to the Department, the number of deliveries and mass mailings to those offices, including copies of Secretarial press releases and background material and contract awards, have continued at a consistent rate in 1985 and is expected to continue at the same level in 1986 and 1987.

Workload indicators for 1985, and estimates for 1986 and 1987 are as follows:

	FY 1985	FY 1986 Estimate	FY 1987 Estimate
(a) Congressional Liaison			
Congressional and Other Calls Received	46,600	50,000	50,000
Congressional and Other Calls Made	23,000	25,000	25,000
Contract and Grant and Press Release Calls Made	5,500	5,500	5,500
Number of Finalized Letters, Memoranda and Incoming Correspondence Reviewed	9,000	10,000	10,000
Individual Letters Received for Interim and Final Response	4,300	4,300	4,300
(b) Legislation			
Telephone Calls Received Relative to Congressional or Legislative Activities	33,000	35,000	35,000
Telephone Calls Initiated Relative to Congressional or Legislative Activities	32,000	33,000	33,000
Requests for Views Handled	1,200	1,400	1,400
Hearings Handled in which DOI Staffs Participated	160	200	200

No increase in funds is requested for 1987.

Subactivity: Equal Opportunity

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,292	1,236	1,292	1,197	-95
(FTE-T)	(31)		(31)	(29)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,292	-56	1,236

As a result of the $56 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: To assure an equal opportunity for all citizens of the United States to participate fully in all Federally assisted programs funded by the Department under law and executive order and to eliminate all forms of systemic barriers to equal employment opportunity. This Office also has responsibility for policy and with respect to Executive Order 12320 concerning Historically Black Colleges and University Programs. Possible statutory violations would be the consequence of not addressing these programs.

Specific functions by major program area are described below:

Equal Employment Opportunity

The Federal Equal Employment Opportunity program, authorized by Public Law 92-261, as framed in Part 29, Section 1613 of the Code of Federal Regulations, affords protection by providing for equal access to employment opportunities within the Department of the Interior for all persons regardless of race, color, religion, sex, national origin, age, or handicap. It should be noted that responsibilities for complaints investigations found at 29 CFR 1613.216 are funded from the Working Capital Fund account.

The Office's work in the area of equal employment opportunity encompasses three major thrusts - education, evaluation and enforcement. The responsibilities of the Office are to: establish Departmental policy; adjudicate discrimination complaints; provide guidance and technical direction to bureaus and offices; collect and disseminate trend data and assess program sufficiency; coordinate with lead agencies; and participate in cooperative endeavors to improve employment opportunities and community conditions that affect employability.

Federal Financial Assistance

The Federal Financial Assistance Programs Division develops regulations, guidelines and programs to enforce: (a) Title VI of the Civil Rights Act of 1964, (b) Section 504 of the Rehabilitation Act of 1973, (c) Title IX of the Education Amendments of 1972, and (d) the Age Discrimination Act of 1975. These statutory provisions prohibit discrimination in Federally funded programs on the basis of race, color, national origin, age, handicap, and in education programs on the basis of sex. In addition, the Division is responsible for the implementation of Section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of handicap in federally conducted programs. This amendment extends the equal opportunity mandate of Section 504 to programs and activities directly conducted by agencies of the United States Government.

Base Program: The Office for Equal Opportunity develops policy and provides guidance for the Department in the implementation of its equal opportunity programs. More specifically, it sets the tone, gives directional guidance, and establishes the priorities for the various program activities. Through ongoing evaluations and studies, it determines whether programs are meeting the spirit and intent of the law. The base program activities and responsibilities for the major divisions of the Office for Equal Opportunity are described by program area as follows:

Division of Federal Employment Programs

During 1985, a total of 5 Equal Opportunity Directives and 9 Equal Opportunity Information Memoranda were issued. The Secretariat was provided with monthly assessments and analyses in compliance with the Secretary's "management by objectives" initiative.

In 1985, the Division also conducted monthly training sessions for bureau level equal opportunity employees designed to increase and enhance technical expertise in order to facilitate expeditious complaint processing. In addition, an intense two-day training session on how to analyze complaints was offered to bureaus.

External educational pursuits focused on fostering working relationships with other employers, schools, and public and private groups for the purpose of enhancing the awareness of and appreciation for the technical missions of the Department among various under-represented groups.

Also, the Division of Federal Employment Programs processed 585 complaints. In addition, the Division received approximately 1,000 items of correspondence relative to complaint processing while transmitting over 800 items of correspondence in response to status inquiries, etc. relative to approximately 500 complaints.

During 1985, the Division closed out all of the EEO complaints filed before 1983, where hearings were not requested by the complainant and a total of 320 cases were closed. It is anticipated that a total of 300 cases will be closed in 1986 and no less than 200 in 1987.

The Division will conduct a series of technical guidance sessions for bureau level equal opportunity employees designed to increase and enhance technical expertise in order to facilitate expeditious complaint processing.

Cultural awareness notices in recognition of Black History Month, Hispanic Heritage Week, Women's Week, American Indian Day, and Asian-Pacific Islander Week will be prepared. During 1987 the Department will support these same programs.

During 1985, the Division participated with the Equal Employment Opportunity Commission (EEOC) in the conduct of on-site reviews, and monitored and conducted comparative trend analyses of evaluation findings of reports issued by the Equal Employment Opportunity Commission and Department of the Interior installations. During 1986 and 1987, the Division will develop specifications for adaptation of the Multi-Year Affirmative Action Program Plan to the PAY/PERS System; consolidate evaluation findings and statistical reports to identify trends and barriers; and report results to the Planning and Reporting Units to enhance planning and development of internal and external strategies.

Federal Financial Assistance

The Federal Financial Assistance Programs Division is responsible for the development and implementation of programs designed to assure that no person in the United States is subject to discrimination in any program which receives financial assistance through Departmental programs.

The most important objectives of the Division's enforcement program consist of the following:

Develop and promulgate regulations and guidelines to enforce Federal anti-discrimination laws;

Prompt acknowledgement and investigation of complaints of discrimination filed under Title VI, Section 504, Title IX, and the Age Discrimination Act of 1975;

Provide technical assistance to Bureaus and Offices of the Department and recipients of assistance to enable them to comply fully with the laws; and

Conduct periodic compliance reviews of recipient/subrecipient practices to determine whether they are complying with the laws.

In 1985, the Federal Financial Assistance Programs Division conducted 96 compliance reviews. The Division processed 62 complaints and developed proposed regulations for implementing the requirements of Section 504 in federally conducted programs of the Department. The Division also provided technical assistance to 83 subrecipients and 50 state offices.

The 1986 and 1987 base programs are as follows: Revise Title VI, Title IX, and Section 504 guidelines based on actual experience of previous years, and develop guidelines, policies and procedures to implement Section 504 among the Department's programs and activities (Section 504 - 1978 Amendment); investigate 30 complaints of discrimination under Title VI, Title IX, Section 504, and the Age Discrimination Act; provide formal technical assistance presentations to 20 state liaison offices; and conduct 30 compliance reviews of recipients and subrecipients programs.

(dollars in thousands)

Decrease from 1987 Base:	FY 1987 Base	FY 1987 Estimate	Difference
$	1,292	1,197	-95
(FTE-T)	(31)	(29)	(-2)

The proposed reduction in 1987 of two workyears and $95,000 is related to achieving economies and efficiences in operations and reducing the federal deficit. Increased productivity, automation and streamlining of policy will result in reduced staff requirements.

Distribution of changes by Object Class:

The object class detail for the proposed $95,000 decrease is as follows:

Object Class	FTE	Amount
Personnel compensation	2	-87
Personnel benefits		-8
Total decrease	2	-95

Subactivity: Public Affairs

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	696	666	696	696	--
(FTE-T)	(16)		(16)	(16)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	696	-30	666

As a result of the $30 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objective: The Office of Public Affairs' (OPA) primary objective is to provide accurate and timely information about Interior activities and programs to the public.

Base Program: OPA coordinates all major news announcements of the Department and is responsible for a wide range of specific information activities such as news release preparation and distribution, speech drafting services, Departmental publication and audiovisual management for popular, interpretive, scientific and technical materials, press conferences, daily liaison with news media, general information correspondence, and preparation of briefing materials and special articles. In addition, the office handles thousands of inquiries by mail, telephone and in person annually, serves as the public's initial contact on Freedom of Information requests and maintains records of all major Departmental actions. To maintain acceptable information services to meet a high level of public interest within budget and staff restraints, OPA will continue in 1987 to streamline its operations and emphasize cost-effectiveness in the design and implementation of information activities. Projected activities to achieve efficiencies in the program will include:

Expanded focus on reducing Departmental publication and audiovisual costs and the elimination of duplicative, non-essential materials from the inventory. In 1985, OPA exercised such oversight on over $20 million in publication and $3 million in audiovisual material and ensured compliance with the Office of Management and Budget new Circular governing the production of these items. Special attention will be given to sharing facilities and production resources among bureaus.

Increased emphasis on screening all Departmental public affairs initiatives to ensure stringent cost and quality controls as well as development of only high priority efforts. The Department will implement an improved management system for exhibits in 1986 and 1987. Departmental news releases issued in 1986 are expected to number 280 as opposed to 300 in 1985.

Streamlining methods to disseminate news releases and other information materials to achieve cost reductions without diminishing effective distribution of essential information. Use of electronic distribution was initiated in 1985 and appears to be successful in expanding distribution while reducing costs.

Heightened attention to efficient use of manpower by Interior bureaus in public affairs activities. OPA has authority under the Departmental Manual to review all personnel actions affecting the public affairs function, before such actions take effect. Over the years this has functioned as a cost-control factor through avoidance of unneeded duplication of effort and overlapping of functions. The office, in conjunction with bureau officials, is working to develop a plan for more efficient and shared use of writers, press officers, visual information officers, related specialists and facilities to make the fullest use possible of such personnel and related facilities.

No increase in funds is requested for 1987.

Subactivity: Small and Disadvantaged Business Utilization

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	398	381	398	398	--
(FTE-T)	(7)		(7)	(7)	(--)

Gramm-Rudman-Holling Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	398	-17	381

As a result of the $17 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Small and Disadvantaged Business Utilization (OSDBU), was established pursuant to Section 15(k) of the Small Business Act, as amended by Section 211 of Public Law 95-507, dated October 24, 1978, and subsequent Office of Federal Procurement Policy regulations and Interior Secretarial Order. The Office's overall objective is the implementation and oversight of all policies, regulations and procedures affecting the Department's small business, disadvantaged business, women-owned business and labor surplus area programs. In the natural course of events, procurement and technical personnel prefer to do business with only those companies or institutions with whom they have always done business. Without Congressionally-mandated and Presidentially-sanctioned special efforts on behalf of small, disadvantaged, women-owned, and labor surplus area businesses, these entities would be excluded from their fair share of the government's procurement expenditures. Such denials of opportunity would have a substantially detrimental impact on the national economy. OSDBU is the catalyst that enables Interior to meet its share of this national responsibility.

In 1986 and 1987, OSDBU will actively participate in intra-agency and interagency procurement, financial management, and other policy making activities that impact the target business groups. The office will establish through negotiations, reasonable, aggressive goals for the participation of the target businesses in Interior's procurements. Pursuant to the requirements of Executive Order 12432, the office will establish additional annual goals and develop incentives for the participation of minority business enterprises in subcontracts under grants and cooperative agreements awarded by Interior to its many recipients. Annual Departmental goals will be negotiated with the Small Business Administration (SBA) and the General Services Administration. Although small minority business procurement goals are included in negotiations with SBA, a separate detailed Annual Minority Business Development Plan must be submitted to the Minority

Business Development Agency (MBDA), Department of Commerce, for inclusion in the Government-wide plan to be submitted to the Cabinet Council on Commerce and Trade. Progress against the MBDA objectives is measured through a combination of the computerized and a manual reporting system. OSDBU objectives are accomplished through promoting and facilitating increases in contract awards to the four primary business areas, in terms of percentages of total procurement. Procurement results will continue to be measured by data reported by each bureau and office in the Interior Procurement Data System. Another major OSDBU objective is to provide continued functional guidance and direction to all Interior personnel having responsibility for Business and Economic Development Program implementation. This guidance and direction will be accomplished by the development of innovative and cost-effective methods of communicating and providing oversight to the bureau procurement or program personnel.

Base Program: Much of OSDBU's policy development and implementation, procurement assistance, oversight, and advocacy activities for small, disadvantaged, women-owned and labor surplus area businesses, will be driven by tasks which are not entirely within the control of OSDBU, but will require substantial amounts of staff effort. Meanwhile, internally planned projects will emphasize the strenghtening and enhancement of existing program resources, rather than the creation of new program tools.

Examples of externally imposed activities will include the development and implementation of strategies which will maximize features of the Competition in Contracting Act (1984) which can positively impact the business and economic development programs; the enhancement of a comprehensive subcontract review and oversight program which will not only improve the small and disadvantaged business award performance of Interior's large prime contractors, but also will improve OSDBU's ability to be fully responsive to the oversight concerns and recommendations of the House Small Business Committee; and the development of Departmental guidelines to implement the minority business portion of revised OMB Circular A-102.

Bureau Business Utilization and Development Specialist (BUDS) positions are extensions of OSDBU in the bureaus and offices. Many times, the vendor's first introduction to Interior is through a BUDS. OSDBU will focus on improving the knowledge and skills of all BUDS from a broader, Departmental perspective. OSDBU will update the existing standard operating procedures, so as to ensure that all BUDS increase their capabilities to perform not only as bureau representatives, but also as Interior advocates for small and disadvantaged businesses.

Based upon the potential for achievements versus actual achievements in the business and economic development programs, OSDBU will identify a minimum of four bureau procurement activities for comprehensive on-site program management reviews. We will evaluate policy implementation procedures and practices to determine and recommend remedial action needed to ensure the eventual achievement of full potential in the Business and Economic Development Program. Written review findings and recommendations will be prepared and submitted to heads of the appropriate bureaus and offices and contractors. A method of follow-up will be used to ensure that recommended corrective actions are taken within a reasonable time after the reviews. Bureau implementation of 1983 and 1984 recommendations has been encouraging.

Workload indicators for 1985 and estimates for 1986 and 1987 are as follows:

	FY 1985 Actuals	FY 1986 Estimate	FY 1987 Estimate
Seminars conducted or attended to explain program requirements to organizations or persons affected by them (Congressionally sponsored procurement conferences, trade fairs, association conferences, and inter-agency meetings)	11	10	10
Total attendance at sessions	2,600	2,500	2,500
Total publications explaining program requirements to vendors and to Interior personnel	9	8	8
Total distribution of publications reported above	4,000	4,500	4,500
Total vendors interviewed and counseled by OSDBU (in-house and at conferences)	750	700	700
Total studies conducted on matters relating to procurement and business and economic development	2	2	2
Total number of regulations required to be initiated, revised, or reviewed. (Includes proposed legislation, OMB Circulars, and Executive Orders.)	27	25	25
Total number of policy, guidance or training issuances developed, reviewed and/or disseminated	17	16	16
Total pages of correspondence processed (incoming and outgoing)	4,300	5,200	5,200
Total routine reports compiled, analyzed and disseminated (internally and externally)	29	31	31

Since 1978, Interior has experienced a steady average increase in contract awards to small and disadvantaged businesses: small business from 41% of total procurement in 1979 to 60.9% of total procurement in 1985; and disadvantaged business from 10% of total procurement in 1979 to 17.29% of total procurement in 1985. Awards to firms located in labor surplus areas have risen from $30 million in 1979 to $271 million in 1984. From 1979 through 1985, awards to businesses owned by woment have made substantial increases each year, going from $4 million in 1979 to $23 million in 1985.

The following table displays anticipated changes in these areas for the next two years:

Contract Awards
(in millions of dollars)

Area	Accomplishments					
	FY 1985 Actuals		FY 1986 Estimate		FY 1987 Estimate	
	Amount	%	Amount	%	Amount	%
Small Business	443	40.7	389	73.2	388	73.2
Disadvantaged Business/ Minority Business	185	17.2	120	22.1	120	22.1
Labor Surplus Area	275	25.5	237	24.5	237	24.5
Women's Business	27	2.4	10	1.8	10	1.8

No increase in funds is requested for 1987.

Justification of Program and Performance

ACTIVITY: PROGRAM DIRECTION AND COORDINATION
Subactivity: Assistant Secretary - Water and Science

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1987 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	745	713	745	691	-54
(FTE-T)	(14)	-	(14)	(14)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	745	-32	713

As a result of the $32 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The major objectives of the Water and Science activity are:

To encourage and assist, in an economically and environmentally sound manner, the development and conservation of the Nation's water supply, and use of new cost-sharing techniques to achieve more equitable sharing of costs between the general taxpayers and the beneficiaries and users of projects or services and to provide for intergovernmental and private sector fiscal balance to enhance project financing;

To foster, coordinate, and enhance the focus and effectiveness of Departmental research and development activities in geology, hydrology, cartography, remote sensing, metallurgy, mining technology and mine health and safety, to support Departmental goals and contribute to long-term national objectives, including international work where it will support such objectives;

To encourage exploration and development of domestic energy and mineral resources by the private sector and reduce our dependency on foreign sources;

To implement a national minerals policy which ensures that minerals supply is considered fully in national security and economic policy issues and decisions by developing fundamental analytical tools for minerals policy analysis and by improving the quality and analysis of national and international minerals data;

To provide information regarding America's water, energy and mineral resources that allows the public and their representatives to understand and act in an informed manner on critical environmental and natural resources issues;

To provide cartographic, geographic, and remote sensing products and services, including basic and special maps in several scales, digital and cartographic data, remotely sensed data and maps and cartographic and geographic information, in support of Federal, State and public interests;

To mitigate earthquake, volcano, and landslide losses that can occur in many parts of the Nation by providing earth science data and evaluations essential for land-use planning, engineering design, and emergency preparedness decisions; and

To provide technological advances to improve recovery from mineral deposits and the efficiency of mineral processing systems; to improve health and safety, environmental and economic aspects of producing, using, recycling, and disposing of mineral materials.

The 1987 priorities will focus on completing water projects now under construction and planning for new projects, and use of new techniques of cost-sharing for such projects in municipal, industrial, hydroelectric, and agricultural uses; coordinate the Departmental efforts at sites where there is potential for harm from irrigation drainage; ensuring that national policies are made in light of the impacts they will have on the domestic mining industry and its ability to supply strategic and critical minerals for national security requirements; advancing our knowledge about the energy and mineral resources in the Exclusive Economic Zone; continue a national water quality assessment program initiated in 1986 working with other Federal and State agencies to increase our understanding of toxic wastes, acid rain, and other water resource issues; and coordinating the the development of a national digital cartographic base and use of advance digital cartographic systems.

The Water and Science staff provides the analysis, evaluation, and coordination required to assist the Secretary and the Assistant Secretary in fulfilling their responsibilities in these areas. The staff identifies opportunities for cost effective management of bureau programs to ensure maximum efficient use of appropriated funds; supports the Assistant Secretary in providing policy guidance and direction for the bureaus and in monitoring performance by the bureaus compared to MBO milestones.

Base Program: The Assistant Secretary - Water and Science is the Science Advisor to the Secretary; coordinates scientific activities for the Department; has Departmental authority and direct responsibility for the management and policy direction with respect to assisting non-Federal entities and other Federal agencies in developing and conserving the Nation's water supply; and in the 17 Western States develops environmentally and economically sound water projects. The base program includes mineral, water, and land resource data collection and analysis, including use of remote sensing; and geologic, hydrologic, mining and metallurgical research.

More specifically, activities in the base program include, but are not limited to, the following:

Reviews operating criteria for Federal water facilities.

Performs policy reviews and proposes initiatives focused on issues such as: improving the safety of dams and cost-sharing for water projects; improving the acquisition and presentation of water and geologic resources data; identifying solutions to problems associated with supplies of water and critical non-fuel minerals; improving the minerals information base; and coordinates contributions of Interior agencies evaluating potential sites for disposal of radioactive waste.

Participates in Governmentwide deliberations on strategic materials as well as provides information to other agencies; provides staff support for the National Strategic Materials and Minerals Program Advisory Committee; supports the Federal Member of the Delaware and Susquehanna River Basin Commissions; provides Departmental representation for the Interagency Acid Precipitation Task Force, the Multilateral Development Bank Working Group on Mineral Loans, Emergency Mobilization Preparedness Board secretariat and working group, U.S. Trade Representative decision groups, and other interagency efforts where Secretarial office level representation is appropriate; and

Conducts reviews of contracts, bureau budget requests, reports on internal controls, audits, and other reports, and proposes responses to Congressional and public inquiry mail.

This Secretarial office, with 14 full-time equivalent workyears of effort, provides Departmental policy and overview to the programs of the Bureau of Reclamation, U.S. Geological Survey and the Bureau of Mines.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	745	691	-54
(FTE-T)	(14)	(14)	(--)

The proposed reduction in 1987 of $54,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $54,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	--	$-34
Personnel benefits		-4
Travel		-9
Printing		-3
Other services		-4
Total decrease	--	$-54

Subactivity: Assistant Secretary - Land and Minerals Management

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	785	751	785	729	-56
(FTE-T)	(14)		(14)	(14)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	785	-34	751

As a result of the $34 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Assistant Secretary - Land and Minerals Management is responsible for discharging the duties of the Secretary for programs administered by the Bureau of Land Management (BLM), Minerals Management Service (MMS), and Office of Surface Mining (OSM), pursuant to the Federal Land Policy and Management Act, Outer Continental Shelf Leasing Act, and the Surface Mining Control and Reclamation Act (SMCRA).

The major 1987 initiatives will be to: strength state regulatory and reclamation effort and Federal oversight and regulatory responsibilities under the Surface Mining Control and Reclamation Act; pursue improvements and enhance the royalty management system; meet goals established under the proposed five-year OCS leasing schedule; and continue to pursue new partnerships with the states in managing the public lands.

Additional objectives for the office in 1986 and 1987 will be to: continue to give priority to energy issues; upgrading ADP capabilities; carry out policy initiatives adopted earlier and make the programs more responsive to public needs; and continue streamlining of the administrative management program.

The Land and Minerals Management staff will provide the analysis, evaluation, and coordination required to assist the Secretary and the Assistant Secretary in fulfilling their responsibilities in these areas. The Secretary's MBO initiatives will serve as standards for policy guidance, performance evaluation, and direction to the bureaus and Land and Minerals Management staff. Finally, the identification of opportunities and alternatives resulting in more cost-effective management of bureau programs will demand policy direction from the Assistant Secretary for Land and Minerals Management.

Base Program: This office is charged with meeting Departmental priorities and MBO initiatives, and providing policy oversight of programs pertaining to: multiple-use management of the surface and mineral resources for 290 million acres of public lands in 28 states; administering of mineral leases and supervision of mining on the public lands and Indian lands and the mineral estates underlying other Federally-administered, state or private ownerships throughout the United States; leasing and management of resources on the OCS and the collection and disbursement of all royalties and mineral revenues from Federal, Indian, and OCS lands leases; and also the controlling of adverse effects of coal mining operations and restoring unreclaimed lands that were mined prior to passage of SMCRA.

In addition to oversight and policy guidance the staff is charged with identification and development of innovative policies for the use of public lands to meet national, state, and local needs.

This Secretarial office, with 14 full-time equivalent workyears of effort, provides Departmental policy and overview to the programs of the Bureau of Land Management, the Minerals Management Service, and the Office of Surface Mining.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	785	729	-56
(FTE-T)	(14)	(14)	(--)

The proposed reduction in 1987 of $56,000 is related to achieving economies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $56,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	--	$-30
Personnel benefits		-5
Travel		-5
Rent and communications		-6
Other services		-10
Total decreases	--	$-56

Subactivity: Assistant Secretary - Fish and Wildlife and Parks

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	766	733	766	711	-55
(FTE-T)	(14)		(14)	(14)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	766	-33	733

As a result of the $33 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Assistant Secretary will work closely with the Congress to gain enactment of the Bureaus' fee initiatives proposed in the budget. In addition, major emphasis will be directed to ensure implementation of the Bureaus' maintenance management systems and to direct the Department's Task Force on Large Land Exchanges in instances where this approach is appropriate. Other high priorities include ensuring implementation of the Federal Fishery Resource Program promulgated in 1985 and development of a comprehensive wetlands policy to reduce the Federal role in wetland drainage as well as natural and cultural resource management planning processes.

Base Program: This office has a primary responsibility for insuring conservation and protection of natural and cultural resources as well as enhancement of fish and wildlife and their habitats.

This responsibility encompasses a wide variety of program objectives including listing, protection, and recovery of threatened and endangered species; management and regulation of migratory birds and the public use of fish and wildlife activities associated with this country's treaty obligations. While accomplishing its mandate to conserve and enhance habitat specifically set aside for fish and wildlife, this office provides balanced management to meet the public's desire to use and enjoy these areas. Through provisions of the Fish and Wildlife Coordination Act and other laws, this office seeks to insure that development activities are realized while safeguarding the requirements for survival of our natural resources.

The office is responsible for overseeing management of nationally significant natural, cultural, and recreational resources. It is responsible for ensuring that protection and use of these resources is in proper balance through development and implementation of policies which allow the public to use their national parks while preventing such use from causing significant adverse impacts. This office further works to protect resources from unwarranted impacts not associated with public use and enjoyment of resources under its stewardship and will continue to work toward enhanced cooperation and coordination among Government agencies in order to avoid impacts on park resources from external activities.

In addition, this office is engaged in efforts to increase bureau management efficiency. The office will oversee the National Park Service realignment of the regional structure which will result in eliminating the Seattle Regional Office. The realignment is intended to improve management efficiency without diminishing resource protection objectives. The office also uses the management-by-objective system to track the Bureaus' process on major issues and polices of Secretarial concern.

Further, through the Department's "Take Pride" initiative, efforts are being undertaken to increase involvement through volunteer programs, donation campaigns, and other innovative approaches.

The office will work closely with the Bureau to prepare additional documentation and responses to inquiries relative to the fee proposal for the National Park Service--the highest priority in the NPS budget. The legislation accompanying the budget proposes to provide 80 percent of all entrance fees collected to enhance operations and maintenance in the National Park System.

The office will assume the same role relative to the Fish and Wildlife Service fee proposal. The legislation accompanying the budget proposed to provide 40 percent of all entrance fees collected to enhance operations and maintenance in the National refuge system and 40 percent into the acquisition of priority wetland areas. Under both fee proposals, 20 percent would be deposited into the general fund to assist with deficit reduction.

Further, this office will embark upon a number of new initiatives. A report will be submitted to Congress identifying those Federal expenditures that are resulting in the loss of wetlands. Currently, joint efforts with the Department of Agriculture have begun to develop, implement and monitor legislation and regulations, the effect of which will discourage the drainage of wetlands.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	766	711	-55
(FTE-T)	(14)	(14)	(--)

The proposed reduction in 1987 of $55,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $55,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	--	$-17
Personnel Benefits		-2
Travel		-5
Rent and communications		-3
Print		-8
Other services		-15
Supplies		-5
Total decrease	--	$-55

Subactivity: Assistant Secretary - Indian Affairs

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	739	707	739	686	-53
(FTE-T)	(13)		(13)	(13)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	739	-32	707

As a result of the $32 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of the Assistant Secretary - Indian Affairs has the responsibility to provide policy direction for Indian Affairs activities; to provide timely advice to the Secretary on matters pertaining to or affecting Indian Affairs activities; to initiate actions leading to correction of deficiencies identified by internal and/or external reviews of the Bureau of Indian Affairs organization and management practices; to insure identification, analysis and resolution of critical issues; and to provide capability for planning, evaluation and oversight of Indian Affairs activities.

The Assistant Secretary - Indian Affairs will, among other Indian Affairs activities, investigate, analyze and recommend action to the Secretary on several critical issues in 1986 and 1987. These issues include the development of reservation economies; improving management of reservation natural resources; supporting Indian trust and treaty rights; increasing tribal self-determination; assisting tribes in developing successful and strong tribal governments; and improving effectiveness of the development and operation of the Indian education system. Additionally, the Assistant Secretary's office is responsible for coordination of input to the Secretary on those issues being addressed by the Bureau of Indian Affairs and the Secretary's management-by-objective process.

The Office of the Assistant Secretary will continue its overall management oversight and policy planning, monitoring, and evaluating activities at the Departmental level. These ongoing operations will provide expertise and assistance to tribes in natural resources, economic and industrial development on reservations and the education of the Indian children.

Base Program: The primary responsibilities of the Assistant Secretary - Indian Affairs are to serve as advisor to the Secretary on Indian Affairs issues, to act as the Secretarial level policy and operational leader for the Bureau of Indian

Affairs and the Office of Indian Education Programs, and the lead official for providing coordination and liaison with the Executive and Legislative branches of government. In addition, the Assistant Secretary will assume the lead role for coordinating with other Federal agencies the implementation and promotion of programs involving American Indians and Alaska Natives. The Assistant Secretary - Indian Affairs exercises Secretarial authority, direction, and supervision over the programs of the Bureau of Indian Affairs.

The Assistant Secretary and staff work closely with the Office of Construction Management in the Office of the Secretary to identify and resolve the problems in the operation and maintenance of Indian facilities. This effort will continue through the Bureau of Indian Affairs in 1987.

In order to fulfill these responsibilities, the issues and matters requiring Secretarial decision must be investigated, analyzed and fully documented; concise recommendations must be presented to the Secretary for action; policy planning must be initiated; program planning in the areas of program and financial management, budget and other administrative operations must be closely monitored and evaluated; and corrective action must be taken as required.

This Secretarial office, with 13 full-time equivalent workyears of effort, provides Departmental policy and overview to the programs of the Bureau of Indian Affairs.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	739	686	-53
(FTE-T)	(13)	(13)	(--)

The proposed reduction in 1987 of $53,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $53,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	--	$-34
Personnel benefits		-4
Travel		-5
Printing		-5
Supplies		-5
Total decrease	--	$-53

Subactivity: Assistant Secretary - Territorial and International Affairs

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	548	524	548	508	-40
(FTE-T)	(8)		(8)	(8)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	548	-24	524

As a result of the $24 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: Secretarial Order 3046 of February 14, 1980 established the Office of the Assistant Secretary - Territorial and International Affairs to: strengthen the United States' fundamental commitment to encourage self-determined political, economic and social development of the emerging Micronesian governments and the U.S. territories; advocate a more favorable treatment of the territories with regard to Federal grant programs; provide oversight of technical assistance activities in the areas of economic, financial management and technical development of the territories and Trust Territory of the Pacific Islands; and direct and coordinate the Office of Territorial and International Affairs and the Department's International Affairs staff.

Base Program: The Assistant Secretary - Territorial and International Affairs discharges the duties of the Secretary with regard to the administration of laws, functions, responsibilities and authorities related to territorial and Trust Territory matters, as well as matters involving the new freely associated status in Micronesia, which are vested in the Secretary by the President and the Congress of the United States. Also, the Assistant Secretary - Territorial and International Affairs discharges the duties of the Secretary with the authority and direct responsibility for the analysis, development, and review of Departmental policy and programs pertaining to international activities.

The Assistant Secretary - Territorial and International Affairs has Departmental authority and direct responsibility for promoting the economic, social, and political development of the territories, leading toward greater self-government for each of them, and for fostering international peace and security by conducting territorial affairs in close coordination with the defense and foreign policies of the United States.

The Assistant Secretary is responsible for the overall direction of territorial policy development; implementation of technical assistance programs in the areas of economic, social, and financial management development; direction of the International Affairs staff of the Department and coordination of Federal programs in the territories; and coordination of the activities related to the planned termination of the Trusteeship in Micronesia, in cooperation with the President's Personal Representative for Micronesian Status Negotiations.

The Office of the Assistant Secretary has been particularly involved in implementing a program that encourages increased economic development through diversification; the shifting of governmental functions to the private sector; decreasing the size of government; and greater operating efficiency in the U.S. Territories and the emerging Micronesian governments. Technical assistance efforts have emphasized improving financial management, tax policy and administration, and procurement policy and procedures, as well as economic development.

During 1985, the Assistant Secretary's Office concentrated its efforts on defining issues relative to the transition of the Micronesian governments to the status of free association.

Regarding the U.S. territories, the Assistant Secretary and his staff focused primarily on finding new ways to increase the economic development potential of the territories, particularly through the identification and conversion of those governmental functions which could be turned over to profit-motivated businesses, and identifying and implementing solutions to problems in the areas of fiscal control and resource management.

As a result of private investment conferences held the prior year, numerous foreign sales corporations were established in each of the U.S. territories in 1985.

With enactment of the Compact of Free Association for two of the three Micronesian governments, the Office of the Assistant Secretary will be heavily involved in administering Federal funds and programs for the Micronesian governments in their new free association status in 1986. The continued orderly phase down, transition, and eventual termination of the Trusteeship in Micronesia and resolution of all related outstanding issues during the transition period will also be a major responsibility of the Assistant Secretary.

For the U.S. territories, 1986 will be a year of increased emphasis on the implementation and expansion of ongoing economic, social, and political development programs. The Assistant Secretary and his staff will concentrate on greater cooperation with the territorial governments in the further identification and conversion of government functions that could be more efficiently and economically operated in the private sector, and increased emphasis in the areas of fiscal control and resource management.

This Secretarial office, with eight full-time equivalent workyears of effort, provides policy and overview to the programs of the Office of Territorial and International Affairs.

OGC

Decrease from 1987 Base:

	(Dollars in thousands)		
	FY 1987 Base	FY 1987 Estimate	Difference
$	[illegible]	[illegible]	[illegible]
(FTE-P)	([illegible])	([illegible])	([illegible])

The proposed reduction in 1987 of $[illegible],000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $[illegible],000 decrease is as follows:

Object Class	FTE-P	Amount
Personnel compensation	[illegible]	[illegible]
Personnel benefits		[illegible]
Travel		[illegible]
Printing		[illegible]
Total decrease	[illegible]	[illegible]

Subactivity: Assistant Secretary - Policy, Budget and Administration

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	790	756	790	723	-67
(FTE-P)	(14)		(14)	(14)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	790	-34	756

As a result of the $34 thousand P.L. 99-177 reduction, the purchase of supplies and other operational costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Assistant Secretary - Policy, Budget and Administration is responsible for and provides detailed and objective advice on program planning, budget, and policy matters including developing goals and policies, allocating resources to meet these goals and policies, and recommending corrective action, as necessary, to modify goals or objectives, to decrease or increase resource use, and to change implementation methods of the Department.

Additional responsibilities include the development and implementation of administrative policy, standards, objectives and procedures for use throughout the Department and coordination of departmental reports of proposed legislation with appropriate bureaus and offices.

Base Program: The Office of the Assistant Secretary - Policy, Budget and Administration discharges the duties of the Secretary for all phases of management and administrative activities and serves as the Designated Agency Ethics Official for the Department.

This Office advises the Secretary on programs which demand Secretarial attention because of their national concern, legislative requirements, precedent setting nature, or because the issues and activities involved cross between bureau or office lines. The Assistant Secretary is responsible for assuring appropriate implementation of established policy for the Department's budget process, Departmental compliance with the National Environmental Policy Act and for providing financial management, budget, personnel and administrative support services for the Office of the Secretary. Also, the Office acts as the Designated Agency Official with Departmental responsibility on matters for which it has the lead.

In 1986 and 1987 the office will continue to place emphasis on addressing the Administration's commitment to achieve economies and streamline operations throughout the Department by developing policies and procedures regarding the implementation of fiscal restraints and other cost saving administrative and management initiatives. These efforts reflect support of the Administration's efforts to reduce spending while maintaing the integrity of essential programs. The austerity measures included in the 1986 budget and carried forward into 1987 reflect the Department's continuing commitment to ensure both the economic and environmental security of the Nation and service to the public interest.

This Secretarial office, with 14 full-time equivalent workyears of effort, provides Departmental policy and overview to the bureaus and offices of the Department, including implementation of program and budget policy for Departmental programs.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	790	733	-57
(FTE-T)	(14)	(14)	(--)

The proposed reduction in 1987 of $57,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced salary and related costs.

Distribution of change by Object Class:

The object class detail for the proposed $57,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	--	$-20
Personnel benefits		-2
Travel		-10
Rent and communications		-10
Other services		-10
Supplies		-5
Total decrease	--	$-57

Justification of Program and Performance

ACTIVITY: POLICY, BUDGET AND ADMINISTRATION
Subactivity: Environmental Project Review

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,491	1,427	1,491	1,404	-87
(FTE-T)	(30)		(30)	(28)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,491	-64	1,427

As a result of the $64 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: This Office provides Departmentwide oversight for environmental quality in natural resources management. One of its main responsibilities is to provide guidance and technical assistance in meeting the Department's responsibilities under the National Environmental Policy Act of 1969, as amended (NEPA); Executive Orders 11514, as amended by 11991 (Environmental Protection and Enhancement), 11988 (Floodplain Management), and 11990 (Wetlands Protection); and the Coastal Zone Management Act (CZMA). The Office also manages the Department's review of such non-Interior proposals as Corps of Engineers water projects, Department of Transportation highway and airport projects, Federal Energy Regulatory Commission hydroelectric projects, Nuclear Regulatory Commission nuclear plants, Department of Energy radioactive waste repositories, and Environmental Protection Agency pollution control regulations.

In addition, this Office is responsible for oversight of the Department's compliance with the Clean Air Act, Clean Water Act, Safe Drinking Water Act, Solid Waste Disposal Act as amended by the Resource Conservation and Recovery Act, and various other Federal statutes pertaining to noise, radiation, pesticides and toxic substances. In this regard it supervises the Department's Superfund program which includes managing contingency planning, response activities, enforcement support and compliance activities at the headquarters and regional levels, as well as providing natural resources trustee guidance pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA). As a part of its response activities it represents the Department in the

National Oil and Hazardous Substance Contingency Plan, the Federal Radiological Emergency Response Plan and the Flood Hazard Mitigation Task Force on national and regional response teams.

The staff is composed of experts from various natural resources and environmental disciplines, who review the environmental consequences of Departmental and other agency actions to insure that the full and balanced interests of the Department are considered. The Office assists all bureaus of the Department and particularly provides technical environmental advice to Assistant Secretaries and the Office of the Secretary. Regional environmental officers provide assistance to bureaus, other Federal agencies, and State and local agencies in nine field locations, and represent the Department on regional response teams for oil spills, hazardous substance releases, radiological incidents and flood hazard mitigation.

Base Program: The base program will provide for conduct of the following activities:

Guidance and oversight of compliance with NEPA and CZMA;

Oversight of compliance by Interior facilities with pollution control standards, hazardous waste site cleanup, and compilation of semiannual pollution abatement reports pursuant to OMB Circular A-106;

Guidance to non-Federal applicants about environmental reports with emphasis on major facilities affecting more than one bureau;

Management of review of non-Interior projects with technical assistance to non-Interior agencies for proposals with multi-bureau involvements;

Management of review of non-Interior environmental regulations;

Review of environmental consequences of policy, legislative, budget, and regulatory proposals;

Provide Departmental direction to contingency planning and response activities pursuant to the National Contingency Plan (NCP) for oil spills and hazardous substances releases, and the Federal Radiological Emergency Response Plan (FRERP) for peace-time radiological incidents.

Provide guidance to bureaus about Superfund natural resources trust responsibilities and manage the Department's conduct of preliminary natural resources surveys of damages from oil spills, hazardous substances releases, and sites on the National Priorities List (NPL).

Establish and maintain a capability to assess damages to natural resources pursuant to the Comprehensive Environmental Response Compensation and Liability Act (CERCLA) and E.O. 12316.

Workload measures are as follows:

	Actual FY 1985	Estimated FY 1986	Estimated FY 1987
Interior draft EIS	61	70	70
Interior final EIS	59	90	100
Non-Interior projects	1,847	1,800	1,800

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	1,491	1,404	-87
(FTE-T)	(30)	(28)	(-2)

The proposed reduction in 1987 of 2 workyear and $87,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $87,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-2	$ -75
Personnel benefits		-7
Travel		-5
Total decrease	-2	$-87

Subactivity: Acquisition and Property Management

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,342	1,284	1,342	1,264	-78
(FTE-T)	(23)		(23)	(21)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,342	-58	1,284

As a result of the $58 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Acquisition and Property Management exercises Departmentwide authority and oversight of functions in acquisition (procurement) and similar authority and oversight functions for assistance (grants) management; real and personal property management (including energy conservation); and safety management. This is accomplished through issuance of policy and procedures, review of activities, approval of selected actions and collection and analysis of appropriate data. The management initiatives undertaken in these areas are aimed at reducing costs, improving management accountability, and reducing opportunities for fraud and theft.

The Congress, the White House, the Office of Management and Budget and various agencies of government continuously promulgate new laws, regulations, directives, or procedures, often establishing interagency activities for developing uniform, governmentwide approaches to new, related programs or problems in areas for which this office has responsibility. This requires a single Departmental focal point for coordinating policy or procedures, and for the completion of reports and answering inquiries.

Specific 1987 objectives are to:

Carry out the duties of the Department's Procurement Executive;

Continue the implementation of Executive Order 12352 (Federal Procurement Reforms) which requires this office to reduce procurement administrative costs or burdens, improve effectiveness of procurement systems, and establish clear lines of contracting authority, accountability and career management programs;

Manage the acquisition management review process of the Department's bureaus and offices to ensure that the program is effective in improving acquisition activities;

Coordinate bureau and office compliance with OMB Circulars such as A-109 (Major Systems Acquisition) and A-123 (Internal Controls) as appropriate;

Administer the Departmental contracting officer warrant system;

Maintain and monitor the Department's implementation of the Federal Acquisition Regulation (FAR) through the Department of the Interior Acquisition Regulation (DIAR);

Collect applicable data and make required reports to the Federal Procurement Data System (FPDS) and Federal Assistance Awards Data System (FAADS). Analyze data from both systems to identify and respond to deficiencies in acquisition and assistance processes;

Manage the Department's competition advocate function as required by P.L. 98-369 to maximize the use of full and open competition in the Department's acquisitions;

Maintain and utilize the Advance Procurement Planning (APP) system to facilitate better budget preparation and execution, more efficient and timely bureau and Department level review and approval of procurement actions, better planning for socioeconomic programs and goals and more efficient staff resource allocation and development;

Manage the Department's debarment and suspension procedures to insure the integrity of the procurement process;

Continue oversight of the quarters rental surveys so that each state having quarters is surveyed at least once every five years, as required by OMB regulations;

Provide program oversight of bureau real property and quarters management programs to ensure compliance with Departmental and OMB guidelines;

Implement, as required, provisions of the Cabinet Council on Management and Administration (CCMA) real property initiatives;

Coordinate the annual real property utilization reviews to identify potential candidates for disposal;

Implement any new provisions of P.L. 91-646, as amended, governing land appraisals, condemnations, and relocation assistance, and implement GSA directives governing agency real property management and records systems;

Continue the development and implementation of the Motor Vehicle Information System (MVIS), which is aimed at improving the management of the Department's motor vehicle fleet through improved utilizaton and cost control;

Provide policy guidance and administrative support to the Departmental Energy Conservation Committee for the area of motor vehicle and heavy equipment utilization and reporting;

Provide oversight of bureau safety and environmental health program evaluations, and develop and promulgate Departmental safety and environmental health policy and standards; and

Provide technical assistance to bureaus in establishing and improving safety and environmental hazards control programs.

Base Program: Activities of each major program area are described below.

ACQUISITION AND GRANTS - As the primary staff support to the Departmental Procurement Executive, the division is responsible for developing, issuing, administering, and evaluating compliance with Departmental implementation of the FAR through the DIAR, Office of Federal Procurement Policy (OFPP) Directives, OMB Circulars, and all other Federal regulatory or statutory requirements which govern or impact conduct of acquisition and Federal assistance activities. This requires close monitoring of the Civilian Agency Acquisition Council and other interagency bodies and oversight of an annual process involving over 600,000 procurement transactions obligating approximately $1.5 billion and over 4,000 Federal assistance actions involving 27 authorized programs and approximately $800 million.

A substantial activity is the implementation of E.O. 12352, which is directly related to "Reform 88", requiring the accomplishment of major procurement reforms throughout the Department. The 1987 focus of E.O. 12352-related efforts will be on oversight of acquisition management reviews and certification to the Secretary of bureau and Departmental procurement systems under the systems evaluation criteria which were developed and implemented by the division. Other ongoing efforts related to the Executive Order include the reduction of procurement administrative costs and burdens, improving the effectiveness and efficiency of procurement systems, and establishing clear lines of procurement authority and accountability, the latter being managed by the division under the Department's contracting officer warrant system which establishes and oversees minimum qualification requirements for approximately 3,000 personnel who are designated contracting officers. In addition, the Division Chief serves as the Department's Competition Advocate, and oversees the annual reporting to Congress, as mandated by the Competition in Contracting Act of 1984, P.L. 98-369.

Continuing oversight activities include maintenance and updating of the FAADS and FPDS reporting systems to provide for accurate and timely reporting of the Department's Federal assistance and contract award data. Data collected under the FPDS system will be analyzed to assist in certification of bureau procurement systems against uniform performance standards. FPDS and FAADS data will also be reviewed to evaluate the effectiveness of acquisition and Federal assistance management functions at the bureau level.

The division is also responsible for implementation of E.O. 12372 (Intergovernmental Review of Federal Programs), requiring effective coordination between the Department and state elected officials on decisions involving Federal assistance and direct development. Departmental implementation of Federal assistance program guidance must be reviewed and updated as part of a continuing requirement to develop uniform policies and procedures for Departmental components and to support the bureaus with technical assistance in the area of grants and cooperative agreements.

PROPERTY MANAGEMENT - The Divisions of Real and Personal Property Management are responsible for developing, implementing, reviewing, evaluating and modifying Departmental policies, regulations, and procedures covering real property, motor equipment, personal property, and energy conservation. These programs address responsibilities under: The Federal Property Administrative Services Act of 1949, as amended; the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970; P.L. 88-459, Government Rental Quarters and Related Facilities; P.L. 95-619, National Energy Conservation Policy Act; Executive Order 12003, relating to energy policy and conservation; Executive Order 12512 (Federal Real Property Management); and Executive Order 12411 (Government Space Management Reforms).

This separation of the property management function into the Division of Personal Property Management and the Division of Real Property Management has allowed a greater focus of management attention on these increasingly sensitive programs. This structure allows the Department to place emphasis on both real property and personal property programs initiated by the Administration, OMB, GAO and the Office of Inspector General. These initiatives include Executive Order 12512 on National Asset Management, OMB Circular A-123 on Internal Controls, and "Reform 88", which emphasizes improvement of management controls and cost saving, including the development of systems and procedures for implementing Executive Order 12411.

PERSONAL PROPERTY MANAGEMENT - This program involves managing all personal property, including capitalized property currently valued at over $1.1 billion, and a motor vehicle fleet of 26,000 vehicles. During 1985, work was completed on a comprehensive motor vehicle handbook, and in 1985 we completed revision of the property accountability regulations. Efforts were also directed towards continuing the trend of reducing energy consumption in Interior buildings and meeting the fleet average miles per gallon requirement prescribed in E.O. 12003. Energy consumption in Interior buildings has been reduced from 1975 through 1983. Actions were also initiated to standardize the specifications for essentially all law enforcement vehicles used within the Department.

To monitor utilization of resources, provide oversight to assure adequate control of costs, and minimize the possibility of fraud or theft, this division during 1986 and 1987 will: oversee the completion of actions to correct property management internal control deficiencies identified during 1984; monitor a control system to ensure implementation of needed improvement in property management control procedures; continue the design of a motor vehicle information system; implement the revised Departmental property regulations; and implement the new Departmental Motor Vehicle Management Handbook. This division will continue working to improve training of property management personnel; improve the controls and accountability of property assigned to custodians; establish better methods of physical inventory; and continue efforts towards meeting the energy conservation objectivies for vehicles and heavy equipment. This division will also develop standard procedures for controlling and accounting for Government property in the possession of contractors and grantees, and will implement personal property programs in support of Executive Order 12411.

In addition, the Division of Personal Property will: provide program oversight through the Bureau Property Management Review process to ensure compliance with Departmental and GSA guidelines, and to recommend corrective action as necessary; issue regulations governing the management and utilization of firearms and ammunition; and issue regulations governing the management, control and disposition of seized and forfeited personal property.

REAL PROPERTY MANAGEMENT - This division is responsible for the development of Departmentwide policies governing the management, utilization, and disposal of real property. During 1985, a number of new real property initiatives were addressed by GSA and the President's Cabinet Council for Management and Administration. Considerable time was spent in developing Departmental responses to such issues as Agency Space Management, Real Property Record Systems, and utilization and disposal requirements.

In addition to the above initiatives, the division conducted quarters rental surveys involving over 4,500 quarters located in New Mexico, North Dakota, South Dakota, Nebraska, and Kansas; and used the survey data to establish base rental rates applicable to housing in those states for the Department of the Interior, U.S. Forest Service, and Indian Health Service. The division also extensively revised the utilization criteria (guidelines) used to review real property with the result that a record number of parcels were identified by the several bureaus as unneeded and subject to disposal as excess to Departmental needs. Intensive management surveys were undertaken at several high value sites to determine whether the resources were being put to optimum use. The Division participated in the development and publication in the Federal Register of Uniform Relocation Assistance Regulations that will supplant existing agency guidelines and will promote program uniformity throughout Federal departments and agencies.

SAFETY MANAGEMENT - The division provides direction, oversight and support for the Department's efforts to prevent occupational injuries and illnesses to its employees, to protect Departmental property from damage, and to provide for the safety of the public in connection with its operations and when using its facilities.

To accomplish this, and in compliance with Sections 6 and 9 of the Occupational Safety and Health Act of 1970 (P.L. 91-596), Executive Order 12196, 29 CFR Part 1960, and OMB Circular A-123, the division develops, implements, reviews, and evaluates bureau compliance with Departmental policies, regulations, and procedures relating to the Department's safety and environmental health programs. Program efforts include the establishment, measurement, and appraisal of systems and methods for identifying, analyzing, and correcting problems and situations that could result in accidents or incidents having an adverse effect on Departmental personnel, property, and public visitors. In addition, the division provides technical assistance to Interior bureaus upon request and maintains a close liaison with the Occupational Safety and Health Administration and the National Institute for Occupational Safety and Health.

As a result of these strategic programming efforts, the Department's accident or injury frequency rates are being reduced and workers' compensation costs are being contained at a level of increase significantly below the Governmentwide average. Operation of the program at this level should result in a reduction of the accident or injury frequency rates and continued minimizing of related costs: workers' compensation, survivor benefits, lost productivity, and property replacement or repair costs.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	1,342	1,264	-78
(FTE-T)	(23)	(21)	(-2)

The proposed reduction in 1987 of 2 workyears and $78,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $78,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-2	$-55
Personnel benefits		-6
Other services		-17
Total decrease	-2	$-78

Subactivity: Office of Personnel

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,610	1,541	1,610	1,517	-93
(FTE-T)	(33)		(33)	(30)	(-3)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,610	-69	1,541

As a result of the $69 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The primary objectives of the Office of Personnel are to plan, develop and implement policies, programs, standards and systems for the effective utilization of human resources to accomplish the overall missions of the Department. Departmental programs are designed to ensure that personnel policies and programs contribute to Secretarial objectives, serve to improve productivity, foster fair and equitable treatment of all employees in the Department, and provide efficient services where centralized Departmental programs are economically advantageous. Additionally, the office is responsible for the performance of uniquely Departmental management activities such as policy formulation, management of the SES system, national level consultation with labor organizations, interbureau placement activities, evaluation of subordinate level personnel programs, provision of training which is needed across bureau lines, analysis of position structures to promote productivity at reduced costs, maintenance of the Departmental Personnel Data Files and the assumption of policy and oversight roles which have been delegated to the Department by the Office of Personnel Management. These and other subordinate objectives are described under the base program.

Base Program: The major emphasis of the Office of Personnel in 1987 will be directed toward the achievement of significant economies in the delivery of personnel services and to achieving greater work force effectiveness and productivity. This will reinforce and extend initiatives to maximize human resources utilization in times of fiscal austerity. Possible major consolidations and mergers will have significant workload implications for all functions and activities in the Office of Personnel. Major personnel program initiatives to be addressed in 1987 are reflected in the following activities.

Position Classification and Management:

Those objectives which were the focal point of 1986 program initiatives remain critical for 1987. These include, but are not limited to, emphasis on achievable cost effective improvements in organizational structures, job redesign, improved classification accuracy, review adjudication of formal classification appeals, prior classification approval for all designated key and Schedule C positions, provision of continuing technical classification assistance to bureaus, and the critique and approval or disapproval of bureau contractor developed classification guides. Analysis of proposed reorganization initiatives will concentrate on optimum organizational effectiveness with minimum negative impact on employees. In addition, heightened OPM and OMB interests and anticipated activity will be directed toward demonstrated improvement in position classification guides.

Senior Executive Service Program Management - Management of the SES system within the Department will continue to emphasize executive performance appraisal, effective position management, staffing and placement, and executive development to assure the retention and enhancement of an effective executive corps in the Department. Initiatives such as a fourth offering of the SES Candidate Development Program, implementing changes to the performance management system dictated by OPM regulation changes, and increased case workload brought about by executive mobility will increase the workload of the executive personnel staff. The performance appraisal system will continue to be a major Secretarial initiative dedicated to the objective of improving executive efficiency and organizational effectiveness in response to Departmental goals.

Employment and Staffing Programs - The office will continue to strengthen the Department's placement assistance programs in order to maximize interbureau placement opportunities for employees affected by A-76 reviews, reduction in force or other displacement. Staffing program requirements will focus primarily on hiring under special employment programs, improving internal placement and upward mobility program requirements, and increased hiring at the entry level. It is anticipated that the changes in regulations on merit promotion, reduction in force, temporary appointments and employment will require close monitoring to assure that employees are not unnecessarily adversely affected. In a cooperative effort with the bureaus and offices we will continue to provide a central employment service to more than 25,000 prospective applicants seeking employment annually.

Employee Development Programs - The office will continue to emphasize the training and development of the existing work force as a means to maintain and improve program effectiveness, and seek improved methods of supervisory and manager development, identification of training needs, and cost effectiveness of training delivery. More use of cost effective alternatives to classroom training (including computer assisted instruction) will occur as part of a continuing effort to reduce costs of training delivery. Efforts to consolidate delivery of common needs training so as to reduce expenditures will be intensified.

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Employment Programs. Increasing requirements for systematic Departmental placement assistance are anticipated for a minimum of 1,000 employees. This office will continue to review and recommend approval on some 300 key position cases, Schedule "C" positions, consultants, etc., for the Department. Employment services will be provided to more than 15,000 individuals in 1986.

Labor Management Relations. Management and control of the labor relations program will continue [illegible] as [illegible] representative of Departmental employees [illegible] 70 percent of [illegible]. Third party negotiations representation and consultations should stay the same at an estimated 1,800 for 1986 and 1987.

Employee Relations and Compensation. Continuing improvements will be achieved to the Departmental performance management system with particular attention to the linkage of the system with compensation and personnel actions. We estimate that employee relations, compensation, and incentive awards cases requiring our involvement will number at least 1,[illegible] in 1987. This estimated figure may be greatly increased because of [illegible] [illegible] fiscal constraints.

[illegible] cases will focus on [illegible], severance pay, discontinued service retirements, [illegible] compensation and like matters. There may be [illegible] [illegible] during 1987 arising from [illegible] which [illegible] began in 1986.

Program Coordination and Evaluation. Emphasis will continue on innovative, [illegible] and improved assistance to operating personnel offices such as greater use of automation in preparing and tracking personnel actions. Efforts will continue to ensure sharing of accomplishments and problems in other organizations and where improvements will [illegible] of duplication of effort. [illegible] [illegible] will [illegible] reduced overhead costs and elimination of [illegible] [illegible], with [illegible] [illegible] in essential personnel services. The evaluation of [illegible] based personnel programs also will be continued.

Senior Executive Service Program Management -- SES placement cases processed are estimated at [illegible] in 1986, [illegible] in 1987, and [illegible] in 1988. These figures [illegible] [illegible] [illegible] do not include the annual [illegible] and final review of [illegible] [illegible] performance appraisal documents, review of [illegible] requests for positions as a part of the biennial request of OPM, processing of [illegible] bonus and achievement award recommendations, [illegible] [illegible] rank recommendations, [illegible] recommendations for the [illegible] SES Candidate Development Program, [illegible] [illegible] rate adjustment recommendations, or the handling of approximately 1,[illegible] telephonic and written requests for information concerning executive policy, operations, training and [illegible] [illegible] and [illegible] [illegible].

Changes from 1987 Base:

(Dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
PC	1,077	1,117	+40
(FTE)	(25)	(26)	(+1)

The proposed reduction in 1987 of 3 workyears and $93,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class distribution for the proposed $93,000 decrease is as follows:

Object Class	FTE-P	Amount
Personnel compensation	-3	$-83
Personnel benefit		-10
Total decrease	-3	$-93

Subactivity: Administrative Services

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	3,230	3,091	1,094	1,032	-62
(FTE-T)	(90)		(24)	(22)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	3,230	-139	3,091

As a result of the $139 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: Objectives of the Office of Administrative Services (PMO) for 1986 and 1987 include permanent ongoing or recurrent functions/responsibilities and management initiative responsibilities associated with improving the efficiency of Departmental administrative service programs.

Permanent ongoing or recurrent functions/services and responsibilities include, but are not limited to:

Providing all major types of administrative services on a centralized basis for the Office of the Secretary, other Departmental offices, and several independent agencies and commissions assigned to the Department;

Providing certain administrative services on a centralized basis for all elements of the Department at headquarters, such as photographic services; in-house printing and reproduction services: coordination of external and/or commercial printing activities; space assignment/management, layout, planning, billing, and related activities; consolidated mail and messenger services (pilot program during 1985); shipping and receiving; parking management; visitor information; physical security (i.e., building access, key control, etc.); liaison with the Department of State regarding international communique impacting Interior operations; telephone operations and employee locator services; telecommunications, procurement and related services; telephone directory; facilities management; and monitoring the onsite GSA travel management center.

Providing Departmentwide, nationwide, centralized administrative services in the areas of space management, passport and visa services, issuance and control of Government Transportation Requests, publication distribution, transportation services (upon request), and emergency preparedness planning and coordination. Establishing, revising, and monitoring the implementation and adherence to

Departmental policy in the areas of physical, personnel, and document security; law enforcement; space management; parking management; use of flags and seals; printing and reproduction services; publications; emergency preparedness; and acquisition and utilization of reproduction equipment. Representing the Department on interagency committees, and maintaining liaison with the Office of Management and Budget (OMB), General Services Administration (GSA), the Joint Committee on Printing (JCP), General Accounting Office (GAO), Department of the Treasury, U.S. Postal Service, and other agencies on matters pertaining to functional responsibilities. Providing oversight, guidance, coordination, monitoring and participating in Departmental and Office of the Secretary implementation of administrative policy and procedural modification requirements initiated internally, or by other elements of the Federal Government. Providing oversight coordination, follow-up and reporting on internal (e.g. Inspector General) and external (e.g., GAO) audits of Departmental programs and activities, ensuring resolution of all pending items. Ensuring that the Department and its employees are aware of and in compliance with conflict of interest statutes and related Executive Orders and regulatory requirements. Promoting the "Human Relations" management concept as it pertains to personnel management, equal opportunity, affirmative action, the work environment, etc., to reduce the frequency of employee grievances or complaints and increase productivity; and assessing and incorporating the human rights and needs of special populations such as the handicapped and aged in the missions and activities of the Department.

Ensuring that adequate levels of administrative services are available at all times to meet the changing needs of the Department.

The missions and responsibilities of the Office of Administrative Services have expanded during the past several years to include coordination or oversight of a variety of interbureau management improvements necessitated by budget reductions or resulting from program reviews or studies. This Office served during 1985 as the lead bureau for data collection, verification, and development of options for improvements in connection with major studies of the Department's administrative services programs at key locations nationwide. PMO also independently initiated and implemented numerous management actions to increase efficiency or reduce costs associated with Departmental programs for which it has operational responsibility and has served as the lead bureau for implementation of improvement options initiated at other levels. In addition to normal levels of operations identified previously during 1985, PMO: (1) implemented the transition from use of a Federally-staffed travel services facility at Departmental headquarters to use of a private travel agency contractor; (2) assumed operational responsibility for consolidated or centralized telecommunications procurement and related services for most elements of the Department in the Washington metropolitan area; (3) implemented and managed a consolidated mail room pilot program at Departmental headquarters; (4) developed specifications and monitored a contract for development of an integrated Office of the Secretary (OS) procurement, finance, receiving, and property management system to increase the efficiency of these functions and eliminate duplication of efforts; (5) simplified mail addressing procedures for recipients within the Interior Complex to increase mail room efficiency; (6) developed an automated personnel data system to interface with the Departmental payroll systems and improve integrity of data; (7) initiated work toward automation of OS contract clause selections;

(8) centralized selected types of OS purchasing activities to reduce paperwork requirements and duplication of efforts; (9) initiated four new Departmentwide Federal Emergency Management Agency (FEMA) programs, all highly classified; and (10) initiated a variety of other program modifications designed to result in cost avoidance or compensate for budget reductions of administrative programs at the individual bureau level.

During 1986 and 1987, it is anticipated that the role of this Office in the accomplishment of the Department's program requirements will continue to increase as budgetary restraints at the bureau or office level and administrative improvement measures necessitate guidance or implementation at the Departmental level.

The consolidation/centralization or further modification of additional administrative services programs will necessitate Departmental coordination and guidance by administrative program specialists. PMO will be required to provide such coordination to ensure compliance with regulatory and Departmental policy requirements; ensure that adequate administrative services are available at all times; ensure that the concerns and unique requirements of all affected bureaus and programs are adequately met; and to allow proper assessment of and compensation for workload impact upon existing centralized programs.

Additional objectives of the Office for 1986 and 1987 are to continue and initiate further reviews of administrative program areas and coordinate implementation of management improvements as appropriate, and to review and further simplify administrative procedures and Departmental policies for which PMO is responsible. The consolidated mail room function at headquarters is expected to be implemented on a permanent basis beginning in 1986. Prior studies have already produced a number of options which will require PMO administrative oversight and guidance during implementation in 1986 and 1987.

Plans are currently underway for the acquisition and operation of a Washington area computer-based digital telephone and management information system and switchboard to provide centralized network management for voice and data communications, nationwide. Work is continuing on development of an automated Space Planning and Data System (SPDS) which will, in part, interface with this system and will provide for inventory of space assignments and monitoring of the Department's space reduction plan. The SPDS will also interface with the accounting and budget systems for billing and other purposes.

The Department's emergency preparedness activities expanded significantly during 1985 with the implementation of four (4) new highly classified Federal Emergency Management Agency programs. These activities are expected to continue to expand during 1986 and 1987, and will require additional staff hours for development of emergency logistical procedures and coordination among Government agencies. Actions are underway for further automation of emergency preparedness and physical security data bases.

Monitoring, review, and modification of Departmental, bureau and office internal controls procedures for administrative programs will continue in accordance with guidelines set forth in OMB Circular A-123. However, workload increases are anticipated to be experienced in connection with establishing and reporting on internal controls for new, revised, or consolidated administrative services programs.

Modernization of Departmental printing facilities will continue in 1986 and 1987 in concert with joint actions/initiatives of the Department and the Joint Committee on Printing. Work on development of automated inventory control systems for the Departmental printing facility will also continue.

Establishment of automated accounting review/management capability in OS offices is underway to ensure the accuracy of accounting data, encourage increased financial awareness of managers, and allow for better utilization of financial resources.

Review of GSA and other agency regulations impacting Interior Department administrative programs for practicality and consistency with Departmental logistical requirements will continue. PMO will initiate or recommend revisions to Departmental and OS policies and implementing procedures, as appropriate.

Monitoring of audit reports and resultant contract payment recommendations and other actions will continue or expand during 1986 and 1987. PMO objectives during 1986 and 1987 are to reduce the impact of administrative program reductions at the bureau or office level and allow for greater efficiencies or cost avoidance, as administrative improvements are identified through the review or study process. As the Department's principal administrative resource, PMO will be called upon to provide increased guidance and assistance in identification and implementation of such improvements and to maintain service levels adequate to meet the changing needs of the Department. PMO will, therefore, play an increasingly significant role in the accomplishment of Departmental missions in 1986 and 1987.

Base Program: The Office of Administrative Services will continue to provide essential support services to the Secretariat and other serviced organizations during 1986 and 1987. However, the role of this Office in coordinating and overseeing administrative activities throughout the Department will continue to increase as described above. Organizational components include the Office of the Director (which provides guidance and oversight), the Divisions of Enforcement and Security Management, Space and Facilities Management, Printing and Publications, General Services, Fiscal Services, Personnel Services, the Departmental Ethics and Audit Coordination Staff, and the Human Relations Staff. Activities include establishment of Departmental policy relating to the accomplishment of program objectives, and certain operational activities in support of the programs.

A major portion of program activity is funded through the Working Capital Fund in that these operations are in direct support of bureaus, other Departmental offices, and independent commissions funded by separate appropriations. Since segregation of this Office's activities is difficult to quantify by area serviced, and the office has overall responsibility for accomplishing policy objectives, the base program services identified include total program activities, some of which are funded by the Working Capital Fund. These are described by area of functional responsibility below:

The Special Programs Staff promotes the "human relations" management concept as it applies to personnel management, equal opportunity (EO), affirmative action, the work environment, etc., to reduce the frequency of employee grievances and complaints and increase productivity. The staff establishes equal opportunity policy for the Office of the Secretary, evaluates implementation results, counsels managers and employees on EO matters, oversees a network of human relations counselors and coordinators, processes EO complaints, and assists managers and employees in promoting a better human relations environment that results in better interpersonal, interoffice, and intergroup relations. The staff also assesses and incorporates the human rights and needs of special populations such as the handicapped and aged in the missions and activities of the Department.

Key tasks to be performed in 1986 and 1987 are as follows (figures provided on a per annum basis):

- Conduct annual EO evaluations and comparative statistical reviews by individual offices;
- Conduct personally or through the network counselors 450 sessions of pre-complaint human relations counseling with an anticipated 27 requiring formal counseling;
- Process 35 ongoing formal EO complaints with an anticipated nine additional complaints; and
- Provide human relations training in six one-day sessions.

The Departmental Ethics and Audit Coordination Staff develops Departmental policy concerning implementation of the Ethics in Government Act of 1978 and other applicable statutes, Executive Orders, and regulations concerning employee ethics, conduct, conflict of interest standards, and related matters. The staff develops and maintains a Departmentwide system and procedures for collection, filing, review, and (when appropriate) public inspection of required financial disclosure reports, and oversees bureau and office Ethics Counselors and staff. It reviews cases referred by the Office of Inspector General (OIG) of violations or potential violations of conflict of interest requirements. It develops, promotes and conducts training sessions concerning ethics and conduct requirements, and reviews financial statements submitted by top level officials of all elements of the Department. It ensures that all required financial disclosure reports are prepared, any potential violations are identified and corrections are made, and follows up to verify that all required actions are taken (including divesture and disqualification). It provides liaison with the Department of Justice and the Office of Government Ethics and prepares reports for submission to Congress concerning ethics and conduct matters.

Key ethics tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Respond to approximately 500 referrals or inquiries from managers and other employees concerning ethics or conduct requirements as they relate to outside work, post employment activities, acceptance of travel expenses, honorariums, etc.;
- Conduct 12 ethics or conduct training sessions for Departmental employees;
- Review Executive Financial Disclosure Reports filed by approximately 360 employees; and
- Monitor the review of Confidential Statements of Employment and Financial

Interests filed by approximately 13,000 employees.

Ensures Departmental compliance with OMB Circulars A-50 (Audit Follow-up) and A-128 (Single Audit Act), to include:

a) resolving disagreements between GAO and the Department and between OIG auditors and management,
b) tracking the implementation of actions initiated by audits, including collection of debt identified by audit,
c) providing management information to senior officials and OMB,
d) monitoring all GAO activity in the Department and coordinating the Department's responses to all GAO reports, and
e) issuing Departmental regulation, policy and procedures for audit follow-up and the Single Audit Act.

Key audit tasks to be performed in 1987 are required by OMB Circular A-50 as follows (figures provided on a per annum basis):

- Monitor approximately 70 GAO open reviews;
- Monitor and ensure timely responses to GAO reports;
- Track over 100 OIG audits referred for resolution; and
- Track implementation of an estimated 400 recommendations from audit reports.

The Division of Personnel Services administers the personnel management program for the OS and other Departmental offices (ODO's) (excluding the Office of the Solicitor and the Office of Inspector General) and several independent agencies. It develops, implements and evaluates personnel management policies, procedures, guidelines and standards and processes all personnel actions for employees in the OS, ODOs, and several assigned independent commissions, and selected key officials of bureaus. It provides technical advice and assistance to office managers relating to manpower planning and utilization, personnel aspects of organization, position management and classification, work force analysis, labor relations and wage administration, recruitment and placement, performance appraisal, employee relations and services, conduct and discipline, awards, reduction-in-force, appeals and grievances, employee motivation ana incentives, and employee development. The division also provides advice and assistance to Secretarial and other Departmental office heads on ethics in Government; conflict of interest and code of conduct requirements; bureau Freedom of Information Act requests with Secretarial implications or interest; and bureau employee relations matters. In addition, it provides personnel management advice to the Federal component of the Government of the Trust Territory of the Pacific Islands and the Government of American Samoa and develops and provides manpower statistics and other information to management officials for management of their manpower resources. It also prepares and maintains official personnel documents, records and reports including maintenance of Official Personnel Folders for all key officials of the Department.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Process 4,000 personnel actions;
- Classify 400 positions;

- Process 4,500 employment applications;
- Review 550 Financial Disclosure Reports;
- Process 350 Performance Recognition requests;
- Process 600 training requests; and
- Process 125 employee relations cases.

The Division of Fiscal Services develops budget estimates for the OS and several independent commissions, and justifies and defends these estimates within the Department and to OMB and Congress. It establishes funding levels, allocates resources and positions to the various Secretarial and Departmental offices and administers the effective execution of these budgets, and provides centralized accounting and other financial services for these offices. Services include FTE employment target management; examination and payment of vouchers; and maintenance of financial and related records for management of resources, revenues, obligations, and expenditures. The division provides liaison with the Departmental Budget Office, OMB, GAO, and the Treasury. It advises management officials, Congress, OMB, and Treasury regarding the current financial status of the offices serviced, and provides them with essential financial statements, progress reports, special analytical statements, and other information required for financial management purposes.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Process 250,000 financial transactions;
- Prepare 27 Budget Execution reports (to OMB) monthly;
- Prepare 19 Reports on Obligations (to Treasury) monthly;
- Prepare 4 Treasury Reconciliation Reports monthly;
- Process 2,000 Vouchers (schedules) monthly;
- Provide budget management support to over 40 appropriations totaling approximately $400 million for 8 organizations;
- Manage a full-time equivalent employment allocation of over 1,000 work years;
- Issue 200 SIBAC bills to collect $30 million annually;
- Process Letter of Credit advances to Territorial governments totaling $200 million annually;
- Utilize compatible computer hardware and on-line DBMS software concepts employed in the implementation of the OS financial data system; related automated systems are being integrated with the fiscal accounting system.
- During 1986 and 1987 the property accounting and procurement systems will be integrated with the accounting system. It is anticipated that virtually all OS client office interaction with these traditionally paper intensive functional areas can be accomplished through customer-located electronic work stations.

The Division of Enforcement and Security Management carries out the Secretary's responsibilities for policy direction, coordination, evaluation, inspection, and support of three Departmentwide programs: security, law enforcement, and emergency preparedness. The security program includes personnel security clearance and all physical security and document security controls. The division develops, funds, implements, and monitors the physical security programs at the

Main and South Interior Buildings, including: visitor information, contract receptionist and security aide service, employee identification, room key control, and emergency procedures. In addition to traditional emergency preparedness programs, the Division is responsible for planning, coordination, and implementation of four continuity of government (COG) programs and one emergency mobilization program involving the Department. It represents the Department on interagency committees and maintains liaison with other agencies on matters pertaining to emergency preparedness, law enforcement, and security. The Division provides guidance and assistance concerning bureau and office law enforcement programs, regional emergency preparedness programs and facilities, and security procedures and programs. It conducts formal evaluations and reviews of these programs. The division also acts as the central contact point for reporting information on drug detection and eradication on Interior lands, and, as such, coordinates and monitors Departmental implementation of this Presidential initiative. In addition, it maintains Departmentwide staff coordination for the receipt, transmission, monitoring, and disposition of Reports of Investigation (ROI) from the FBI and OMB (except employee misconduct) and operates the personnel clearance and suitability investigative requirements programs for the OS and key Departmental officials such as heads of bureaus and offices and their security representatives. All ROI initiated nationwide are processed through this Division. It also coordinates the receipt and dispatch of all international communiques with the State Department, is responsible for the protection and security of the Department's facilities and employees against terrorist acts and maintains a fully accredited Special Compartmented Information Facility and secure voice capability.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Conduct 15 security staff visits;
- Conduct 15 law enforcement program reviews;
- Conduct 10 regional emergency preparedness evaluations;
- Continue development of new Departmentwide emergency preparedness plan and a crisis management data base capability;
- Automate clearance records in 1988;
- Process 425 personnel security clearances; and
- Automate emergency preparedness records.

The Division of General Services provides technical support and services to the OS, other Departmental offices, and several independent commissions in the areas of procurement and contracting; property management and accountability; central Secretarial files maintenance; motor vehicle, paperwork, and safety management; issuance of Government drivers permits; issuance of vehicle license tags (Departmentwide); logistical services in connection with press conferences; public hearings and official ceremonies; office relocation; and Departmental Museum maintenance. The division implements mail management initiatives at Departmental headquarters through operation of a consolidated mail room program (consisting of Federal and contract employees) and oversees the operation of a contract travel agency at headquarters. It develops policy and oversees the Departmentwide parking management program; provides centralized control and maintenance of passports and visas; and provides services relating to transportation of household goods in connection with permanent changes of duty station both nationally and internationally as requested. In addition, it maintains operational liaison with the U.S. Postal Service. The division issues policy and procedural guidelines on general services activities to affected elements of the Department.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Process 7,000,000 pieces of incoming mail;
- Classify and file 12,000 records;
- Process receiving services for 7,000 incoming orders;
- Issue 2,500 purchase orders;
- Perform 1,400 property moves;
- Issue 900 permanent and 4,000 temporary parking permits;
- Expand on a permanent basis the centralization of the transportation of household goods function to include all elements of the Department; and
- Conduct further reviews of general services programs within the Department.

Space and Facilities Management develops and administers the Departmentwide program for the acquisition, assignment, and utilization of space in the District of Columbia, 50 States, and territories. This includes Departmentwide implementation of Administration initiatives such as Reform '88, Executive Order 12411 (Government Work Space Management Reforms), and associated Federal Property Management Regulation D-73 on Space Reduction, and OMB Circular A-123, Internal Control Systems. It serves as the sole Department liaison with GSA concerning space requirements in the Interior Regional Cities and other areas as required. It administers the buildings management function for all bureaus and offices in the Washington metropolitan area and secretarial organizations nationwide, and is the implementing office for delegations of authority for operation and maintenance of buildings and the lease management program. It provides telecommunications services to the OS and other Departmental offices, and administers the locator service for Departmental employees located in the Washington metropolitan area.

Receives requests, prepares orders, and maintains records of existing telephone systems in the Washington metropolitan area; coordinates all requests for AT&T telephone credit cards; provides updates to the local and GSA telephone directories for the Department; and assumes responsibility for all data and voice related systems and services, including a new computerized digital telephone switching system.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Process 150 requests for space;
- Conduct 6 utilization surveys;
- Process and coordinate 900 Reimbursable Work Authorizations;
- Process 10,856 building complaints and other requests for nonreimbursable services;
- Procure computerized digital telephone switch; and

- Implement President's Real Property Management Initiatives.

The Division of Printing and Publications develops and coordinates the Departmentwide program for the control of printing and publications, and other duplication and reproduction services. This includes: performing liaison with the JCP and the Government Printing Office (GPO); reviewing reports on field printing and contracts for commercial printing, photocopy equipment inventory and procurement controls; conducting surveys to determine bureau and office distribution requirements for government publications; establishing and controlling of centralized copying facilities; processing requests for GPO printing of Departmental documents and brochures; reviewing of Departmental duplication and reproduction practices; and issuing of policy and procedural guidelines concerning printing, photocopy equipment, and publications. The division also provides reproduction and distribution services for instructions and regulations issued by the OS graphics and design services to the OS, and Departmentwide photographic services.

Key tasks to be performed in 1987 are as follows (figures provided on a per annum basis):

- Review 750 requests for new and updated copier/duplicating equipment;
- Provide layout and design services for 115 publications;
- Accomplish 1,900 photographic request assignments;
- Process 5,000 requests for in-house printing;
- Process 7,200 requests for GPO printing;
- Provide reproduction services for 24,500,000 copies at copy centers; and
- Review and assess new printing processes and their application to Interior programs (laser printers).

Decrease from 1987 Base:

	(Dollars in thousands)		
	FY 1987 Base	FY 1987 Estimate	Difference
$	1,394	1,352	-42
(FTE-T)	(24)	(22)	(-2)

The proposed reduction in 1987 of 2 workyears and $42,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $42,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-2	$-36
Personnel benefits		-6
Total decrease	-2	$-42

Subactivity: [illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

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[illegible]

[illegible]

to improve IRM planning in the bureaus. Working with the bureaus, the division will take steps to ensure that major application systems best serve the missions and functions of the Department and bureaus. These systems will be developed and managed in accordance with the Department's life-cycle management policies. Also in 1986, the division will continue to support the IRMRC by identifying and developing background information and Departmental positions on IRM management issues and major system developments and acquisitions.

In 1987, the division will continue to develop policies, plans, and standards to ensure cost-effective investment in information resources throughout the Department. Building on steps taken in 1985 and 1986, the division will be assisting the bureaus in developing fully-related program, information, systems and technology plans. The development of the related plans will ensure that future systems and technology support the Department's missions and provide the information required by program managers and staff, Congress, state and local governments, and the public.

Division of IRM Program Assessment is responsible for assessing the application of IRM technologies within the Department in accordance with the Paperwork Reduction Act of 1980 (P.L. 96-511) and OMB, GSA, and oversight regulations. The division evaluates bureau compliance with policy and procedural guidance This includes adherence to: life-cycle management principles for development of automated systems to reduce waste and resources abuse; cost accounting and chargeback directives which cover cost identification and accountability; and information resource acquisition policies to promote cost-effective procurement. During the first three quarters of 1985, the division required defendable documentation for acquiring ADP hardware and software which resulted in receiving $112.0 million in clearances from GSA and enabled the bureaus to avoid $2.7 million in annual expenditures and $850,000 in one-time expenditures through competitive discounts and other management measures. The division provided technical and managerial approval for $39.9 million in contract life costs in support of bureau missions. Ninety-three percent of all dollars approved are for competitive acquisitions.

In 1986 and 1987, the five-year ADP and Telecommunications Acquisition Plan will be reviewed; bureaus will be encouraged to strengthen IRM acquisition management control and planning so that additional authorities may be delegated to the bureaus when merited. The Information Resources Security policy will be developed and revised to keep pace with changing oversight guidance from central management agencies. A project will be initiated to provide additional bureau guidance for making accountable personnel aware of their security responsibilities.

A contract for a Departmentwide data communications network was awarded in 1985. Use of the network (GeoNet) will be promoted throughout 1986 and 1987. A potential cost avoidance of $610,000 per year will be realized by the bureaus when these services are implemented. Planning will continue for a common user data communications facility for the Denver Federal Center, in coordination with GSA and the GSA contractor.

The division is also responsible for implementing OMB Circular A-123, Internal Control, as it relates to IRM functions. In 1985, guidelines were issued for conducting detailed bureau reviews of computer service centers. These reviews identified numerous weaknesses in center operations which, when corrected, will assist ADP operations, particularly in the area of security. In 1986 the guidelines for computer service centers will be revised to reflect changes in governmentwide regulations and additional guidance will be issued for conducting reviews of bureau headquarters ADP planning and approval functions. Guidelines for other IRM functions, such as records management, will be issued in 1987.

In 1985, assessments were conducted on the management of delegated acquisition authority in three bureaus, and the implementation of P.L. 96-511 in one bureau. The assessment of delegated acquisition authority will be extended to additional bureaus in 1986 and 1987 and the implementation of P.L. 96-511 will be examined further. Continued compliance assessments in these and other related IRM areas will be selected for 1987 in coordination with GAO and the Office of the Inspector General.

Division of Telecommunications provides direction and guidance for satisfying the Department's total telecommunications requirements. This covers the management of telecommunications systems and services including radio, data, and telephone communications-related authorizations. These responsibilities are carried out at the Departmental, national, and international levels.

1985 accomplishments included providing technical and procurement assistance and guidance to bureaus for the replacement and upgrading of telephone systems; maintaining records for 16,586 assigned frequencies and processing approximately 3,000 radio frequency actions; providing technical assistance to bureau personnel in the management, design, and operation of their radio communications systems; preparing and releasing a Telephone Systems Handbook; providing liaison to and coordinating with GSA to expedite and resolve FTS and telephone-switching systems problems at the Denver Federal Center, Anchorage Federal Building, and many other smaller locations; hosting meetings with bureau telecommunications managers; and issuing advisory memorandums to provide information with regard to industry and regulatory changes. The design of a computer-assisted system to automate the radio frequency authorization process is in the final stages of completion. Implementation of this system, scheduled for the end of 1985, will improve Departmental responsiveness to the bureaus and make better use of personnel resources. The Department's Washington, D.C. metropolitan area telephone system requirements have been reviewed, and the current telephone system at Main Interior and five other locations will be replaced with a state-of-the-art digital switching system. Proposals are being evaluated, and the contract is expected to be awarded by 1987. A policy was developed and published by the Division of Telecommunications to guide selection of long-distance telephone carriers.

A strategic telecommunications plan was developed which, when implemented, will substantially change and improve the management of the total telecommunications program. This plan contains goals and objectives to improve the management and administration, network acquisition and utilization, and the provision of commonly used services. Implementation of the plan will improve the management, use, and cost-effectiveness in the Department's provision for telecommunications services to our user community from senior levels to field office operations.

It also will improve the Departmental oversight and audit capabilities to ensure cost-effective expenditures of resources and provision of services.

1986 and 1987 activities are keyed to the continued improvement of telecommunications management capabilities caused by the constantly changing technological and regulatory environment. The AT&T divestiture and Federal Communications Commission detariffing of multiple communications services require a reevaluation of the Department's management of telecommunications resources. As part of the Departmental telecommunications Strategic Plan, appropriate Departmental management initiatives will be developed to cover the next five years. A telecommunications management assessment will be conducted. Assistance and guidance will be provided to the bureaus in the preparation of bureau telecommunications management plans. Telecommunications management policy will be reviewed to ensure cohesiveness and annual telecommunications workshops will be sponsored. Additional efforts will be made to communicate requirements and opportunities to field telecommunications managers. Radio and telephone systems handbooks will be updated. The Department Data Communications Handbook will be completed and released to provide guidelines for the management of data communication services. A pilot telecommunications inventory scheme will be analyzed so that a system for maintaining necessary communications facilities can be developed. Based on the pilot telecommunications inventory study, select data communications network services will be analyzed to determine how we can encourage network sharing to meet user requirements in a more cost effective manner.

Division of IRM Support Services is the focal point for information resources management within the Office of the Secretary. It provides technical assistance in the planning, acquisition, production, and implementation of automated information and office systems in support of the Secretary's goal of improved management efficiency within the Office of the Secretary. The division manages the Departmental ADP inventory in accordance with GSA regulations and good management principles.

1985 accomplishments included the achievement of cost avoidances in excess of $37,000 through the use of effective strategies in word processing and ADP acquisition and management; the installation of new hardware for the Office of the Secretary to accommodate additional management information systems and users; the establishment of an Interior headquarters Hewlett-Packard Computer Users Group to increase productivity among members by sharing information and experiences; the realization of a cost avoidance of $15,000 for the Department through the joint purchase of specialized software by members of the Users Group; the development and implementation of major enhancements to the Payroll Front-end Data Entry System, to automate all of the payroll transactions submitted to the centralized Departmental Payroll/Personnel System; the development and implementation of office automation tools to assist functional managers; serving as the contracting officer's technical representative to oversee contracts to develop automated systems for the Office of Administrative Services, the Office of Acquisition and Property Management, and the Telecommunications Division of the Office of Information Resources Management; ongoing analysis, programming and operational support activities for the Departmental Personnel System, the Personnel Locator System, the Office of the Secretary Financial Data System, and others; the completion of an Internal Control Review of selected Office of the Secretary computer equipment in accordance with OMB Directive A-123; the development of draft software system documentation standards to be used throughout the Office of the Secretary; site investigations of computer centers in the National Park Service, the Minerals Management Service, and the Office of Aircraft Services to provide technical advice and assistance in improving operational efficiency; assistance to the Office of Budget, the Office of Policy Analysis, the Office of Acquisition and Property Management, and the Office of the Inspector General in the development of long-range office automation plans; and the performance of system manager functions for Office of the Secretary users of the ITT Dialcom Electronic Mail System.

1986 and 1987 objectives will concentrate on similar activities, particularly in the areas of office automation and ADP requirements definition, planning, acquisition and management. Efforts will be concentrated on: (1) assessing the effectiveness of ADP and word processing equipment and systems within the Office of the Secretary to ensure identified requirements are satisfied; and (2) determining if expected management efficiencies are realized through automation. Enhancements to existing management information systems will be completed. New systems will be developed for the Office of Administrative Services, the Office of Acquisition and Property Management, the Office for Equal Opportunity, and the Office of Public Affairs.

Division of Project Services provides analytical support and assistance to the Office of the Secretary and the bureaus and offices of the Department through management reviews, system studies and information flow analyses, and special projects. These efforts are aimed at improving Departmentwide policy, organization, processes, and systems and at solving problems identified by management. In addition, this division acts as liaison and responds to requests for information from GAO, OMB, GSA, the President's Council on Management Improvement (PCMI), and committees and independent commissions reviewing the organization of the Federal Government. This division is responsible for coordinating Departmental actions on many initiatives associated with Reform '88. For example, this division analyzes and prepares responses to the aforementioned agencies and groups on administrative and management improvement proposals such as administrative consolidation efforts, Governmentwide staffing ratios for administrative functions and the establishment of common administrative services units; represents the Department at interagency meetings concerning management improvement; tracks Departmental progress on Reform '88 initiatives and prepares status reports and briefing materials on Reform '88 initiatives for Departmental officials.

Early in 1985, this division assumed responsibility for developing, managing and coordinating the A-76 Productivity Improvement Program, which requires that efficiency reviews be conducted of selected activities throughout the Department to identify ways to improve productivity and to ensure that the Department obtains commercial goods and services at the least cost. Since then, this division worked with the bureaus in developing their internal structure for coordinating A-76 efforts and for conducting related reviews; analyzed legislative restrictions affecting the Department's A-76 Program and developed applicable policies; collected data from the bureaus and prepared responses to a wide range of requests from OMB, prospective contractors, and Congress; developed the Department's plan for improving management of the A-76 Program; and coordinated the development of a plan for utilizing and retraining employees adversely affected by A-76 decisions. Currently, the division is coordinating the implementation of the President's new Productivity Improvement Program by preparing guidelines for the bureaus to use in developing their productivity improvement plans and providing them technical assistance in implementing plans.

While it is not possible to forecast which projects and services will be required in 1987, recent examples and current assistance efforts typify the division's activities. These include developing several Departmentwide 1986 management improvement plans and coordinating the development of 10 other such plans for the bureaus and offices; providing staff support to task forces on the Royalty Management System, BIA reorganization, the Parker/Gasch court order, and electronic messaging; conducting a management review of the Management Services Directorate for the Bureau of Mines; compiling the A-76 Productivity Review List based on activities identified by the bureaus for review; preparing the Department's 1984 Report on the implementation on OMB Circular A-76; analyzing GAO reports on the A-76 Programs of two bureaus and on the ADP situation on another bureau and preparing the Department's response to interested Congressional oversight committees; coordinating the collection of Financial and Administrative Management Information System data for quarterly submission on OMB; developing a statement of work for the Federal Lands Acquisition System; and preparing a status report on the Department's implementation of Grace Commission recommendations for the Secretary's meeting with the White House Office of Cabinet Affairs In 1985, division activities included two major organization management studies, 26 other organization reviews, 10 major systems studies, 76 special projects, and answers to nine requests for technical assistance.

Division of Directives and Regulations Management is responsible for the Secretarial Directives System, the public information collection reduction program, implementation of the Privacy Act, FOIA Appeals, and the Departmental regulatory and records management programs. As required by E.O. 12291, the division reviews all Departmental rulemaking documents, coordinates the clearance of all documents with OMB, and develops and publishes the Semiannual Agenda of Rules. The division serves as the focal point for the Department's regulations program and assists with the preparation and coordination of the Department's contribution to the Administration's regulatory planning document. The division prepares final Departmental decisions on FOIA appeals and coordinates publication in the Federal Register of new or revised Privacy Act systems of records notices. In addition, the division exercises continuing review of Privacy Act compliance within the Department. In the records management program area, the division issues policy directives to implement new or revised regulations, takes part in records management projects to reduce costs and improve efficiency, and provides technical assistance to all bureaus and the Office of the Secretary in records management disciplines. The division also manages a system of Departmental directives, including the Departmental Manual and Secretary's Orders.

In 1985, a reduction of approximately five percent in the public information collection man-hour burden was achieved, with a smaller reduction targeted for 1986 and further reductions planned for 1987. The division started an intensive review of the Bureau of Land Management's Monthly Report of Operations, which represents a significant portion of the burden that the bureau imposes on the public. The review is intended to identify means which will significantly reduce the burden imposed on industry by the information collection requirements. A review conducted by the division of two BIA area offices resulted in the identification of over 50 information collection requirements that have not been cleared by OMB. In 1986, one burdensome information collection requirement will be studied to identify potential burden reductions. The division also will continue to provide BIA with training and assistance in identifying uncleared information collections, reducing burden, and consolidating those already identified.

In 1985, records management policies were published and updated to reflect current legislative and regulatory requirements. The division took an active role in the consolidation of the Main and South Interior Building mail functions. The division developed proposals concerning contracting out some mail services, the elimination of weekend overtime, a study of telefax services, and the implementation of direct accountability for mail services through mail meters, all of which have been adopted. At the request of GSA, a Departmentwide forms survey was coordinated by the division as a preliminary step to Governmentwide forms management assessments.

During 1985, the division: prepared 79 final decisions on FOIA appeals, prepared documentation to publish 19 new and revised Privacy Act systems of records notices in the Federal Register, reviewed and processed 288 proposed and final rulemaking documents for OMB approval and publication in the Federal Register, processed 74 directives for publication in the Departmental Manual, and reviewed 97 information collection clearance requests for submittal to OMB for approval pursuant to the requirements of the Paperwork Reduction Act of 1980. The division developed and published a rule in the Federal Register revising the schedule of fees to be charged for making records available to the public under the Freedom of Information Act and the Privacy Act. The revised schedule, which is intended to help offset the cost of administering Departmental efforts and responsibilities under the Acts, provides for an increase of 50% in search fees and 30% in duplication costs to be charged to requestors.

In 1987, the division will concentrate on maintaining the same level of services and technical assistance, and continue to develop refinements and updates to Departmentwide policies and standards in records management, information collection from the public, regulation preparation and processing, and implementation of the Privacy Act of 1974. The division will continue to provide technical assistance, guidance, and advice to the bureaus in managing and enhancing their records, regulations, information collection, and Privacy Act programs.

Division of Information and Library Services provides library and information services directly and indirectly (through the field libraries) to the employees of the Department. During 1985, the three libraries operated by the division provided services to over 2,000 persons each week, or 105,000 persons during the year. In many subject areas relating to the natural resources of the United States, the three Departmental libraries are the best source of information available, serving, in addition to Department of the Interior employees, other Federal libraries, Members of Congress and their staffs, contractors, consultants, and the public in general. Information services range from the availability of journals to major research efforts resulting in summary reports or on-line data bases. The division orders books and subscriptions for the Library, for the Office of the Solicitor and the offices of the Office of the Secretary. Approximately 5,500 procurements were completed in 1985, more than 1,000 of which were for offices outside the Library. This service is provided at significantly less cost than would have been necessary through the normal procurement channels. The division provides technical assistance to the 500 bureau and office libraries nationwide and coordinates the information network that connects the total Departmental library system into a cohesive information resource. A project in 1985 was development of the Public Land Order Status System, a data base which makes possible for the first time an accurate assessment of the legal status of any given piece of public land which has been affected by a Public Land Order.

The number of users of the three libraries in 1986 and 1987 is expected to remain in the 100,000, to 120,000 range, with the quality of information services improving, particulary in the area of information by and about the Department. To ensure that information services will be available to Departmental employees and others who research the natural resources of the United States, the division continues to move forward on plans and necessary preliminary tasks to complete automation of the library processes. This would include an on-line catalog of the division's collections, which would increase the overall accessibility to users and provide management with needed statistics.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	4,672	4,397	-275
(FTE-T)	(104)	(96)	(-8)

The proposed reduction in 1987 of 8 workyears and $275,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $275,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-8	$-219
Personnel benefits		-21
Other services		-35
Total decrease	-8	$-275

Subactivity: Policy Analysis

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	2,286	2,188	2,286	2,151	-135
(FTE-T)	(42)		(42)	(39)	(-3)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	2,286	-98	2,188

As a result of the $98 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Policy Analysis has primary responsibility for providing objective analysis to support the Secretary and other principal officers with decision-making authority in the Department. The office fosters improved decision-making through contributing prompt economic, statistical, and policy analyses. The office seeks to ensure that the Secretary is provided with a full range of options and with all the objective information needed for decision. The office also supports the Assistant Secretary - Policy, Budget and Administration in his policy and budget development roles.

Base Program: The Office of Policy Analysis provides the primary policy analytic staff for the Department. It provides staff assistance in the development and analysis of policy options and implementation strategies on major initiatives or concerns of the Secretary, the Under Secretary, and all Assistant Secretaries.

The office provides analysis and coordination for many Secretarial decisions - especially those which cut across Assistant Secretary lines, and as requested, reviews and critiques decision material going to the Secretary. It develops documentation for decisions on issues that ensure the full range of viable options are identified and fully and consistently analyzed.

The office analyzes new and existing programs leading to the development of the Secretary's proposed Departmental budget. It assists the Secretary to develop his programmatic priorities for the future direction of the Department. Based on review of analyses submitted by bureaus and Departmental offices and its own independent analyses, the office recommends cost-effective budgets that permit the Secretary to accomplish his objectives within realistic budget constraints.

The office provides analytical support to the Department's regulatory development and review. Economic costs and benefits of regulations are analyzed by the office, and the office works together with bureaus in the preparation of Regulatory Impact Analyses required by Executive Order 12291 and the Department's portion of the President's regulatory plan.

The office serves as an analytical staff to all Assistant Secretaries and through them to the bureaus for development of major policy analyses.

There is a continuing need for a high degree of analytical input to all of the Department's programs, including provision of experts to commissions and task forces working on resolving problems of national significance.

As required, the office provides staff support for the Endangered Species Committee, established pursuant to the provisions of the Endangered Species Act, as amended, to consider exemption applications.

The office has a special emphasis and responsibility for fostering policy analysis related to water resource issues before the Department. The office serves as an analytical and coordinating office for the Department on water policy matters. The base program consists of policy analysis of relevant water policy issues of potential interest to the Secretary, the Under Secretary, and all Assistant Secretaries.

The office will continue to initiate reviews and evaluations of Departmental policies and programs to assist decision makers to determine funding priorities and to identify possible policy and program improvements.

Selected accomplishments:

Led the Department through the formulation of the 1987 budget proposal to the Office of Management and Budget.

In conjunction with the Bureau of Reclamation, developed proposed guidelines to meet increased water demands through the voluntary sale and exchange of Federally-supplied water.

Provided staff support in formulating and evaluating options for a Secretarial decision on water pricing in the Central Valley Project in California.

Prepared technical analyses and reviewed decision documents on the recommendations of the Garrison Diversion Unit Commission.

Worked with the Bureau of Reclamation in developing customized procedures for specific projects under the "Economic and Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies."

Promulgated final rules for the Endangered Species Committee, implementing the 1982 Amendments to the Endangered Species Act.

Conducted the research for the Secretary's report to Congress on the impact of Federal programs on the loss and degradation of wetlands.

Provided primary staff support to the Under Secretary's Park Protection Working Group.

Provided staff assistance to Secretarial task force to write natural resource damage assessment regulations under the Superfund.

Provided detailed policy analysis during formulation of the twenty-year FWS Fishery Resources Role and Responsibilities Statement.

Assisted in preparation of a Secretarial decision document for a five-year OCS leasing program.

Participated in evaluation of modifications to the fair market value procedures for OCS leasing.

Assisted in the review and preparation of consolidated OCS rules and five sets of regulations concerning product value for royalty determination.

Prepared the Secretarial decision document regarding the possible restructuring of the onshore oil and gas leasing program.

Co-chaired a BLM task force to document the appraisal and bid acceptance procedures used in the competitive onshore oil and gas leasing program.

Provided major assistance to the Assistant Secretary-Land and Minerals Management and Bureau of Land Management in the redesign of the Federal coal leasing program to implement the recommendations of the Commission on Fair Market Value Policy for Federal Coal Leasing (the Linowes Commission).

Analyzed issues relating to the Department's responsibilities in Alaska, including the Alaska Native Claims Settlement Act, Arctic National Wildlife Refuge, Bristol Bay Management Plan, and transportation across conservation units.

Prepared action plans to promote and encourage development of Indian reservation economies, excellence in Indian education, government-to-government relationships, fulfillment of trust responsibilities, BIA organization and management improvements, Indian criminal justice system improvements, and general assistance program improvements.

Participated in the Under Secretary's working group examining the management and structure of the Office of Surface Mining.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	2,286	2,151	-135
(FTE-T)	(42)	(39)	(-3)

The proposed reduction in 1987 of 3 workyears and $135,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class distribution for the proposed $135,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-3	$-80
Personnel benefits		-9
Travel		-11
Other services		-35
Total decrease	-3	$-135

Subactivity: Office of Budget

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,516	1,451	1,516	1,426	-90
(FTE-T)	(27)		(27)	(25)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,516	-65	1,451

As a result of the $65 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: To plan and coordinate the development, presentation and management of Department of the Interior budgets designed to meet the legislative mandates and changing program responsibilities of the Department.

Base Program: Each year the Office of Budget (POB) plays a major role in the Department's budget formulation process and helping to ensure that necessary analyses and support data are provided for Secretarial decision-making. Once the Secretary's decisions are made, the Office directs preparation of the Department's budget request and supplementary information for submission to the Office of Management and Budget (OMB). When OMB's initial passback is received, the Office prepares in-depth analyses of OMB recommendations and directs the preparation of budget appeals when approved by the Secretary. The Office works with the bureaus and offices to reflect final budget decisions consistent with Presidential policy determinations, including the technical effort necessary to accurately portray the Department's estimates in the Budget Appendix.

Once final budget decisions are made, the Office coordinates preparation of Congressional appropriations justifications for each bureau and office. For example, 15 separate justifications were prepared for the 1986 appropriations request. The Office also prepares the Interior Budget in Brief/Highlights Book which provides a concise, comprehensive analysis of the President's budget and includes subjects of particular interest to Congress, the media, interest groups and others. Working with the Office of Public Affairs, the budget staff prepares for and participates in the press conference announcing and explaining the President's budget.

Once the Department's budget justifications are provided to the Congress, the Office staff prepares opening statement and budget briefing materials for the

Secretary's appearance at six Congressional budget hearings, and works closely with bureau staffs to prepare and review the proposed testimony of other Department witnesses for Appropriations Committee hearings. For the 1986 budget, 26 bureau specific hearings were held, in addition to six Secretarial hearings.

The Office of Budget staff attends all appropriations hearings, and aids Congressional decision-making by working with the bureaus to provide additional fact sheets, capability statements, and answers to questions submitted for the record by members of Congress. For example, over 200 inserts for the record, over 3,000 written answers to questions submitted by the House and Senate Committees, and approximately 600 capability statements were either prepared or reviewed by the Office of Budget in connection with the 1986 appropriations process. In addition, the Director of Budget is available as a technical witness at all appropriations hearings.

Once Congress completes action and Departmental appropriations become law, the Budget Office is responsible for directing the apportionment of funds to bureaus and offices as well as monitoring compliance with general provisions and directives contained in the Appropriations Committee reports. The staff assisted Interior bureaus in complying with almost 200 Congressional directives in 1985. Throughout the fiscal year, the staff analyzes and recommends actions on proposed budget requests for supplemental appropriations, budget amendments, reprogrammings, deferrals, rescissions, apportionments, and reapportionments. For example, in 1985, the budget staff prepared or reviewed more than 50 reprogrammings.

As with all budget offices, these formulation, presentation, and budget management (execution) activities are ongoing, but often relate to three different fiscal years at the same time. Therefore, it is not unusual for the Office to be simultaneously involved in the review of supplemental budget requests and reprogrammings for the current fiscal year, reviewing and editing testimony and related materials for the budget before Congress, and preparing analyses that evaluate recommendations for the next year's budget.

The Office of Budget is also responsible for overseeing general budget activities throughout the Department, including the review of budget materials developed by the bureaus and offices in the Department and the preparation of summary analyses and tables reflecting the overall level of resources available to the Department. In addition, the Office reviews Departmental correspondence and responses to reports or inquiries with resource implications from the General Accounting Office, Congress, and others for accuracy and consistency with Administration and Congressional budget decisions and directives.

In additions to regular budget-related activities, the Office of Budget staff works on a wide variety of other assignments which are still vital to the operation of the Department. Examples of such activities include:

- analyzing the implications of, reviewing bureau submissions and making recommendations for compliance with the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177);

- reviewing and making recommendations on over-appraisals, declarations of takings, and other land acquisition activities;
- reviewing and making recommendations on proposed regulatory actions and authorizing legislation with budget implications;
- drafting, analyzing and coordinating intradepartmental review of appropriations language;
- updating the Budget Handbook which is used by budget staffs throughout the Department;
- developing or revising budget structure changes to more accurately reflect current or proposed operations in a particular bureau;
- reviewing and developing recommendations for the Secretary on reports with potential budget implications such as the quarterly report on contamination in the San Joaquin Valley which is submitted to the House Interior Appropriations Subcommittee;
- reviewing bureau and Departmentwide management initiatives and working to integrate these initiatives in budget submissions;
- making recommendations on staffing (FTE) levels and monitoring and reporting FTE usage throughout the Department;
- preparing regular reports on receipts, travel, outlays, and consultant utilization; and
- participating in a variety of Ad Hoc or special assignments such as the Department's task force which developed new regulations for the welfare programs of the Bureau of Indian Affairs.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	1,516	1,426	-90
(FTE-T)	(27)	(25)	(-2)

The proposed reduction in 1987 of 2 workyears and $90,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $90,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-2	$-52
Personnel benefits		-8
Travel		-15
Printing		-5
Supplies		-10
Total decrease	-2	$-90

Subactivity: Financial Management

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,014	970	1,014	954	-60
(FTE-T)	(18)		(18)	(17)	(-1)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,014	-44	970

As a result of the $44 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Financial Management provides direction, planning, policy, and oversight for Departmentwide financial policy and procedures, financial data gathering and financial reporting, internal control systems, accounting systems and accounting policy, and provides staff advice and assistance to the bureaus and offices in these functional areas. This office was established in response to continuing interest from Congress, the Office of Management and Budget (OMB), the General Accounting Office (GAO), and the Joint Financial Management Improvement Program (JFMIP) concerning the need for improved financial management throughout the Federal Government. Departmental management recognized the need for better financial management within the Department, especially in the areas of debt collection, cash management, improved internal controls, payroll, accounting systems improvement and approval, and improved timeliness of payments and timeliness and accuracy of financial reporting.

Base Program. The major functional areas of responsibility are described as follows:

Financial Policy and Procedures. Initiates, develops, and prescribes the Department's financial policies and procedures relating to such areas as debt collection, cash management, prompt payment, travel and transportation of employees, payroll administration and entitlements, cash accountability, Department of the Treasury (Treasury) collections, depository and disbursing matters, establishment of appropriation and other fund accounts, letters of credit (LOC) and cash advances; reviews and comments on proposed OMB and Treasury issuances affecting these matters and on proposed legislation relating to them; and participates in special governmentwide projects by OMB, JFMIP, GAO, and Treasury on financial management improvement efforts.

Financial Data Gathering and Reporting. Analyzes, consolidates, and processes the Department's major recurring financial reports to the Congress, OMB, Treasury, and other Federal agencies. Prepares special analytical reports, financial data, and Departmentwide financial reports for Departmental management, OMB, and others.

Internal Control Systems, Accounting Systems, and Accounting Policy. Provides policy guidance and technical support to the bureaus and offices for the design, development, and implementation of accounting, payroll, and internal control systems throughout the Department. Specific areas to which continued attention will be devoted include improving bureau cash management and debt collection systems; improving payroll functions under a single Departmental payroll/personnel system; identification and improvement of bureau accounting systems failing to comply with existing GAO standards; and the enhancement and improvement of internal control systems (both program and administrative) throughout the Department.

Major Planned Activities. While the various activities of this office are detailed below, the office's major thrust will be in cash management, debt collection, internal control, financial systems, consolidation of financial functions, and prompt payment of bills. The ongoing activities of the office in 1986 and 1987, many of which are related to the items specified above, include the following: reducing outstanding travel advances; developing or expanding, as necessary, policies and procedures on travel, payroll, cash management/debt collection, letters of credit, disbursements, and cost recovery; reviewing selected bureau accounting systems for integrity of operations; oversight of an effort to improve the Department's unemployment compensation process; coordinating, preparing, and submitting periodic reports on employment, travel, obligations, retirement, geographic distribution of Departmental funds, bank deposits and other fiscal and financial reports; providing policy guidance and monitoring the bureau and office compliance with OMB Circular A-123 on internal controls and the Federal Managers' Financial Integrity Act (FMFIA); providing policy guidance to bureaus and offices, and coordinating Departmental submissions as required by OMB Circular A-127 on Financial Management systems; monitoring Departmental policy in response to the Prompt Payment Act; coordinating Departmental responses to draft GAO reports relating to financial management issues and financial systems; reviewing bureau debt collection and cash management programs and providing oversight and assistance as required; maintaining Departmental liaison with JFMIP, GAO, OMB, and Treasury on fiscal matters; and maintaining the inventory of Departmental accounting systems.

This office initiated a special study effort dealing with the subject of consolidation of financial functions. This study effort responded to the OMB 1985 budget passback to Interior which emphasized the consolidation and integration of both administrative payment centers and financial systems. The purposes of this study are: to determine the level of consolidation of administrative payment centers within Interior; and to determine the number and types of accounting systems needed to process bureau administrative accounting transactions.

In addition to carrying on the above efforts, special emphasis will be placed in 1986 and 1987 on: assuring that the single Departmental payroll/personnel system meets all Departmental requirements; planning management evaluations and internal control reviews; monitoring the completion of actions to correct internal control deficiencies; providing technical assistance to bureaus on accounting system evaluation projects and analyzing bureau evaluation efforts; conducting special financial studies; strengthening the on-site cash management and debt collection reviews; increasing cost recovery efforts; increasing amounts transferred to Treasury via the Treasury Financial Communication System (TFCS) and lockbox programs; and analyzing and assisting bureau compliance with the Prompt Payment Act.

Major Accomplishments. The President's Private Sector Survey on Cost Control (PPSSCC) report on cash management suggested the possibility of substantial savings to the U.S. Treasury projected from Departmental cash management improvement issues which this office is developing, overseeing, or monitoring. These include: implementation of TFCS for bonus bids and royalties; implementation of TFCS or lockboxes for AML fees, timber fees, and state and local government payments; and implementation of LOC advances on TFCS. The Department's cash management improvement philosophy has been to first pursue those initiatives with the greatest payback potential and then work to improve those areas with lesser potential. During 1984, the cash management initiatives established by this office saved the U.S. Treasury $4.6 million; in 1985, the savings from these cash management initiatives approximated $6.5 million. These benefits will continue into future years, and will grow as new activities are added.

Since few of these improvements would have been initiated and carried out by the Department's bureaus without an effective Secretarial level impetus and oversight, it can be seen that the payback or return-on-investment of this office is and will continue to be very substantial. A further indication of effectiveness is reflected in the request by the President's Council on Management Improvement (PCMI) for this unit to chair a task force to study the paperwork/workload impact in implementing the Federal Managers' Financial Integrity Act (FMFIA) and OMB Circular A-123. The study recommendations, which have been accepted by the PCMI and by cognizant agencies such as OMB and GAO, will when implemented, result in significant cost savings and will reduce the paperwork associated with the internal control process. More importantly, it will assist in having managers more fully embrace the effort to improve internal controls, which will yield benefits for years to come.

Specific accomplishments of the office include: oversight of the completion of the consolidation of the various payroll processing offices independently operated by bureaus into one center; implemented regulations requiring TFCS for AML fees over $100,000, 80% of Outer Continental Shelf bonus bids over $50,000, and rents and royalties over $50,000; implemented lockbox deposit for timber fees, state and local government receipts; AML fees that are not transmitted via TFCS, water sale receipts, and contract repayments for construction advances; implemented requirements for usage of TFCS for all payments to vendors over $25,000; completed the implementation of a single Departmental payroll/personnel system; reduced Departmental travel advance levels over 50%; implemented the Government travel charge card program with approximately 19,000 cards outstanding; managed Departmental compliance with OMB Circular A-123 on Internal Controls, including the revision and update of Departmental policy and guidelines for use by bureaus in conducting internal control reviews; developed a Departmentwide training course on conducting internal control reviews and provided training to about 300 personnel saving the bureaus approximately $65,000 in training costs; directed and effort to improve the Department's unemployment compensation process; implemented a reporting and assurance process which the Secretary can rely upon in his FMFIA statements to the President and Congress; developed or revised Departmental policy and procedures in various financial management areas; and oversaw the implementation of Departmentwide policies on cash management and debt collection.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	1,014	954	-60
(FTE-T)	(18)	(17)	(-1)

The proposed reduction in 1987 of 1 workyear and $60,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $60,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-1	$-53
Personnel benefits		-7
Total decrease	-1	$-60

Justification of Program and Performance

ACTIVITY: HEARINGS AND APPEALS

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	5,766	5,518	5,766	5,339	-427
(FTE-T)	(111)		(111)	(104)	(-7)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	5,766	-248	5,518

As a result of the $248 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objectives: The Office of Hearings and Appeals (OHA) is assigned the quasi-judicial and appellate responsibilities of the Department. Administrative Law Judges and three designated boards of appeal render decisions in cases pertaining to public and acquired lands and their resources, including land selections arising under the Alaska Native Claims Settlement Act, surface mining, contract disputes, appeals from determinations of the Bureau of Indian Affairs and Indian Probate matters.

The Director decides all other appeals to the Secretary which do not lie within the appellate review jurisdiction of an established appeals board and are not specifically excepted in the delegation of authority to the Director. The Director may appoint OHA judges to conduct hearings and may appoint ad hoc boards of appeal. Some of the cases disposed of in this manner are appeals pertaining to relocation assistance benefits determinations, rental rate adjustments and decisions of judges in cases involving the Endangered Species Act, and other special cases. The decisions rendered by the Director or by the boards of appeal are final for the Department.

Other duties of the office include responsibility for personnel grievance appeals and the assignment of personnel to hold hearings under the Debt Collection Act, rulemaking hearings or other public hearings required by law or regulation.

Base Program: The following program areas comprise Office of Hearings and Appeals activity:

Contract Appeals - The Board of Contract Appeals conducts hearings and issues decisions required by the Contract Disputes Act of 1978, P.L. 95-563. This Act provides for appeals relating to government contracts, whether express or implied. The Board also has jurisdiction to hear and decide such disputes arising prior to the Act. The Board's workload has increased substantially in recent years. The number of new cases docketed has increased from 94 in 1979 to 306 in 1985 and 350 new appeals are expected in 1986 and 275 in 1987.

This growth has resulted from additional A-76 appeals, an increase in claims appealed since passage of the Act, and a major increase in Government claims against contractors for overpayments and disallowed costs. The newly enacted Equal Access to Justice Act (August 5, 1985) authorizes Boards of Contract Appeals to award attorney fees and will cause a further increase in the workload. Projections for 1987 reflect a decrease in new cases docketed since the 700 Indian appeals from Government claims for overpayments are expected to be filed by the end of 1986.

Hearings Division (Departmental): The Administrative Law Judges (Departmental), preside over hearings in all cases required by law to be conducted pursuant to 5 U.S.C. § 554 (1982), and conduct hearings in other cases arising in the Department. The cases heard include those under the Mining Act of 1872, the Federal Land Policy and Management Act of 1976, the Surface Mining Control and Reclamation Act of 1977, the Endangered Species Act, and the Federal Oil and Gas Royalty Management Act of 1982.

Caseloads for the Surface Mining Control and Reclamation Act are expected to increase by 1987. At least 600 such cases are anticipated in 1986. This figure is expected to increase during 1987, even if additional states do not lose their primacy. The increase in Surface Mining cases reflects a recent order approving a settlement between the Department and plaintiffs in two far reaching cases which commit the Department to more rigorous enforcement, permitting, and assessment policies in the future.

The Federal Oil and Gas Royalty Management Act of 1982 is another statute that will increase OHA's hearings. Its purpose, in part, is to develop "enforcement practices that ensure the prompt and proper collection of oil and gas (royalty) revenues owed to the United States and Indian lessors and those injuring to the benefits of States". While the number of cases is now low it is expected to increase. Those cases will be complex and involve large sums of money.

Hearings Division (Indian Probate): The Administrative Law Judges (Indian Probate) in this division conduct hearings and render decisions in Indian probate matters. They also hear grievance, rental rate adjustment and relocation assistance appeals. Implementation of changes in laws governing inheritances of Indian lands resulting from enactment of the Indian Land Consolidation Act has increased the workload of all Administrative Law Judges (Indian Probate). Enactment of pending legislation involving disputed titles to lands formerly owned by members of the White Earth Reservation could result in increased caseload.

Public Lands: The Board of Land Appeals caseload has been relatively constant the last several years. In 1985 the Board received 1,020 appeals and disposed of 892. For 1986, the Board anticipates the receipt of approximately 1,000 cases.

Indian Matters: The Board of Indian Appeals decides appeals from actions taken by officials of the Bureau of Indian Affairs. In addition, the Board decides appeals from decisions rendered by the Department's Administrative Law Judges (Indian Probate) after hearings required by statute. It is expected that the Board will receive approximately 70 appeals during 1986 and an equal number in 1987, and that it will dispose of the same number. If the Indian probate workload of the Hearings Division (Indian Probate) increases, the workload of the Board will also increase.

Other Programs: The Office of Hearings and Appeals is called upon to hold public hearings related to such environmentally significant matters as offshore oil and gas drilling. Additionally, employees within the office conduct personnel grievance reviews and hearings. The personnel grievance caseload for 1986 and 1987 is anticipated to remain between 50 and 75 cases each fiscal year.

Resolution of appeals involving claims for relocation assistance benefits continue to represent a portion of the workload of the office. It is estimated that adjudication of approximately ten cases will be required in 1987 under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646).

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	5,766	5,339	-427
(FTE-T)	(111)	(104)	(-7)

The proposed reduction in 1987 of 7 workyears and $427,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements. Consolidation of the Hearings divisions and realignment of field office workload will provide for savings in staff. In addition, equipment purchases to modernize some field offices will be delayed.

Distribution of change by Object Class:

The object class detail for the proposed $427,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-7	$-290
Personnel benefits		-24
Travel		-28
Other services		-55
Equipment		-30
Total decrease	-7	$-427

Justification of Program and Performance

ACTIVITY: AIRCRAFT SERVICE

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	1,889	1,808	1,889	1,814	-75
(FTE-T)	(38)		(38)	(36)	(-2)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	1,889	-81	1,808

As a result of the $81 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Objective: The Office of Aircraft Services (OAS) was established to improve DOI aviation safety and aviation cost effectiveness and, as such, has Department-wide responsibility and authority to: establish and maintain Departmental aviation operations standards; provide technical services support to bureaus for aircraft-related problems; provide acquisition and financial management support; and improve aviation safety. These objectives, functions, and responsibilities must be accomplished by OAS for the Department and all bureaus and agencies in the Department.

The Interior bureaus and offices benefitting from the aircraft service organization are intimately involved in meeting many of the Secretary's priorities. Aircraft are often used in Departmental objectives and programs.

OAS continues to support the user pay cost recovery process through its centralized procurement of aviation services through the Working Capital Fund (WCF) with full costs being recovered from the appropriate user bureau or bureau cooperator. This full cost includes the administrative costs (exclusive of this direct appropriation) related to the procurement and payment for the aviation services, as well as a complete accounting of the costs and a supporting aviation management information system.

To meet these objectives, OAS accomplishes the following: performs annual inspections on approximately 90 DOI-owned aircraft; performs flight checks on over 200 DOI employees who are authorized pilot status for Departmental programs and official use; provides aircraft user safety training to approximately 2,000

DOI employees each year; inspects Interior aviation fuel sites in Alaska (approximately 25 each year); investigates 20-30 Interior aircraft mishaps (incidents/accidents) each year; awards and administers over 200 aviation contracts annually; performs aviation safety inspections on more than 2,000 private sector contract and rental aircraft and pilots to insure an adequate level of safety and the appropriate contract compliance; and provides various other aviation services as requested by Interior offices and bureaus.

Base Program: OAS' base program to achieve the objectives outlined above, as well as being the Department's office with primary responsibility for action on OMB Circular A-126, is reflected in the following four major areas of activity. OAS is the aviation management arm of the Secretariat and, as such, does not overlap any other programs. OAS' "program" is to provide centralized, cost-effective, and safe aviation support to the requesting bureaus and offices.

Promulgation of Departmentwide Policies and Procedures Governing DOI Aviation. Such activities include development, implementation, and maintenance of policies governing dual-function and incidental pilots (includes authorized DOI official pilot status); development and maintenance of minimum standards for pilot qualifications; maintenance of policy prescribing aircraft certification requirements; and policies defining the safe use of aircraft.

Aviation Technical Services. This activity includes flight checking government pilots for proficiency; development of technical specifications for aircraft contracting; research of specialized equipment requirements; advisory services with respect to cost/benefit comparisons of various equipment options; and assistance to bureaus in the field with respect to technical operational problems. Accomplishment of this activity necessitates that OAS keep a cadre of highly qualified aviation specialists who must maintain a current and high level of proficiency in their individual specialties.

Aviation Safety. This activity includes hazard identification within a proposed or existing aviation operation, policy or procedure; provide DOI management a risk analysis of aviation operations as a tool to assist them in developing sound aircraft accident prevention measures within their aviation programs; inspection and evaluation of aviation operations, including maintenance and fueling facilities and transportation of hazardous materials by aircraft; aircraft accident and incident investigation of all DOI aircraft mishaps; maintenance of aircraft accident and incident data and analysis thereof; and provide recommendations resulting from aviation mishap analysis which is oriented to aircraft accident prevention measures and reduction of personnel injuries and deaths.

With one exception, the DOI cumulative aircraft accident rate has steadily decreased since 1975 when the OAS centralized DOI aircraft accident prevention effort began. Indications are that the aircraft accident prevention effort will significantly contribute to a continued decrease in the DOI cumulative aircraft accident rate.

Planning for current and future years includes a continued strong emphasis on aircraft mishap prevention. A continuation of the decreasing cumulative accident rate has been established as an aviation safety goal. This rate requires that the accident prevention effort be carried deeper into the DOI management structure at every level. Such an effort requires the commitment of substantial resources to the aviation safety program.

Aviation Safety Training. This activity includes aviation use, safety and management training for all DOI employees involved with aircraft programs. This training ranges from elementary safety through highly technical programs such as forest and range fire suppression activities, transportation of freight, hazardous materials, rappelling, helitorch and aviation management courses. The technical programs may also include in-depth training and standardization of DOI dual-function pilots employed by various bureaus and offices of the Department. OAS safety and training personnel have presented both safety oriented and in-depth technical training programs to over 14,000 DOI employees since 1973. Attendance at these sessions has been increasing in recent years with continued steady increases projected for future years. The effects of this training are evident by the reduced DOI aircraft accident rates and the cost-effective use of aircraft and related equipment.

This direct request provides funds for the Director, his technical staff, the Aviation Safety Program and Aviation User Safety Training.

This office provides aviation policy oversight to all bureaus and offices in the Department without regard to whether OAS contract, charter or rental aircraft are used.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	1,889	1,814	-75
(FTE-T)	(38)	(36)	(-2)

The proposed reduction in 1987 of 2 workyears and $75,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail for the proposed $75,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-2	$-68
Personnel benefits		-7
Total decrease	-2	$-75

Justification of Program and Performance

ACTIVITY: CENTRAL SERVICES

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	8,847	8,468	12,440	12,440	--
(FTE-T)	(--)		(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	8,847	-379	8,468

As a result of the $379 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred. Since most costs in this activity represent fixed costs and are difficult to reduce, the largest savings will have to come from reduced payments to the WCF as a result of vacancies and decreased services.

Objectives: The Central Services activity supports all offices in the Secretariat funded by this appropriation and provides a single account for general administrative overhead support costs such as GSA space, Federal Telecommunications Service (FTS), Employee Compensation and Unemployment Compensation Payments to the Department of Labor, and postage, which are more efficiently administered on a consolidated basis.

Base Program: Central Services support covers such general administrative expense items which are not practical to distribute to the various offices in the Secretariat. Examples of items funded by this activity are as follows:

Space costs payable to GSA;
Employee Compensation and Unemployment Compensation Payments to the Department of Labor;
General Printing Costs;
Communication costs, such as FTS, telegraph and postage;
Working Capital Fund (WCF) costs for the appropriation, such as health service costs, administrative overhead costs, and other miscellaneous costs charged to all bureaus in the Department;
Operation of motor vehicles used by the Secretariat; and
Other miscellaneous costs of a general nature.

In order to more appropriately reflect the cost of overhead support for the Departmental Management Appropriation, a base adjustment to reflect a change in fund source for certain overhead costs is included in the 1987 request. Currently, the cost of Fiscal, Personnel and General Services support for this appropriation is reflected under the Administrative Services subactivity, with all other WCF costs for the appropriation reflected under Central Services. This proposed change in fund source will more appropriately reflect all general administrative type overhead costs in one activity. Accordingly, 66 FTE's are reflected as a transfer to the WCF. This does not represent any increase in FTE or funding, but rather an accounting change to simplify billing processes.

No increase in funds is requested for 1987.

Office of the Secretary
Summary of Requirements by Object Class
(Dollar amounts in thousands)

Appropriation: Salaries and Expenses

Object Class	1987 Base FTE-T	1987 Base Amount	1987 Estimate FTE-T	1987 Estimate Amount	Inc.(+) or Dec.(-) FTE-T	Inc.(+) or Dec.(-) Amount
11 Personnel compensation:						
11.1 Permanent positions - FTE-P	608	24,050	574	22,779	-34	-1,271
11.3 Positions other than permanent	30	1,033	30	1,033	--	--
11.5 Other personnel compensation	--	94	--	94	--	--
Total personnel compensation	638	25,177	604	23,906	-34	-1,271
Other Objects						
12.1 Personnel benefits		3,174		3,042		-132
13.0 Benefits for former personnel		200		200		--
21.0 Travel and transportation of persons		1,064		955		-109
23.1 Standard level user charges		6,645		6,645		--
23.3 Communications, utilities & other rent ..		1,660		1,642		-18
24.0 Printing and reproduction		451		425		-26
25.0 Other services		5,629		5,448		-181
26.0 Supplies and materials		541		516		-25
31.0 Equipment		67		37		-30
Total requirements		44,608		42,816		-1,792

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 14-0102-0-1-306		1985 Actual	1986 Estimate	1987 Estimate
Program by activities:				
Direct program:				
00.01	Departmental direction	6,582	5,115	5,020
00.02	Program direction and coordination	4,038	4,373	4,058
00.03	Policy, budget and administration	17,423	17,117	14,145
00.04	Hearings and appeals	5,712	5,766	5,339
00.05	Aircraft services	1,924	1,889	1,814
00.06	Central services	8,568	8,847	12,440
00.91	Total direct program	44,247	43,107	42,816
01.01	Reimbursable program	47,556	55,520	55,520
10.00	Total obligations	91,803	98,627	98,336
Financing:				
11.00	Offsetting collections from: Federal funds	-47,556	-55,520	-55,520
25.00	Unobligated balance lapsing .	386	44	--
39.00	Budget authority	44,633	43,151	42,816
Budget authority:				
40.00	Appropriation	44,633	43,411	42,816
40.00	Reduction pursuant to P.L. 99-188	--	-260	--
43.00	Appropriation (adjusted)	44,633	43,151	42,816
Relation of obligations to outlays:				
71.00	Obligations incurred, net ...	44,247	43,107	42,816
72.40	Obligated balance, start of year	26,350	22,401	2,800
74.40	Obligated balance, end of year	-22,401	-2,800	-4,616
77.00	Adjustments in expired accounts	217	--	--
90.00	Outlays	48,413	62,708	41,000

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

REDUCTION PURSUANT TO PUBLIC LAW 99-177

Program and Financing (in thousands of dollars)

Identification code 14-0102-6-1-306	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations	—	-1,855	—
Financing:			
40.00 Budget authority (appropriation) .	—	-1,855	—
Relation of obligations to outlays:			
71.00 Obligations incurred, net	—	-1,855	—
72.40 Obligated balance, start of year	—	—	-190
74.40 Obligated balance, end of year	—	190	—
90.00 Outlays	—	-1,665	-190

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

Object Classification (in thousands of dollars)

Identification code 14-0102-0-1-306		1985 Actual	1986 Estimate	1987 Estimate
Direct program:				
Personnel compensation:				
11.1	Full-time permanent	24,357	25,687	22,779
11.3	Other than full-time permanent	797	1,104	1,033
11.5	Other personnel compensation	414	153	94
11.8	Special personal services payments	3	--	--
11.9	Total personnel compensation ...	25,571	26,944	23,906
12.1	Personnel benefits: Civilian ..	3,308	3,422	3,042
13.0	Benefits for former personnel ..	251	200	200
21.0	Travel and transportation of persons	940	1,069	955
22.0	Transportation of things	26	--	--
23.1	Standard level user charges	5,389	5,188	6,645
23.3	Communications, utilities, and miscellaneous charges	1,367	1,650	1,642
24.0	Printing and reproduction	589	498	425
25.0	Other services	5,695	3,505	5,448
26.0	Supplies and materials	679	564	516
31.0	Equipment	432	67	37
99.0	Subtotal, direct obligations ...	44,247	43,107	42,816
99.0	Reimbursable obligations	47,556	55,520	55,520
99.9	Total obligations	91,803	98,627	98,336

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(in thousands of dollars)

Identification code 14-0102-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Enacted/requested:			
Budget authority	--	43,151	--
Outlays	--	62,708	--
Reduction pursuant to P.L. 99-177:			
Budget authority	--	-1,855	--
Outlays	--	-1,665	--
Total:			
Budget authority	--	41,296	--
Outlays	--	61,043	--

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES

Personnel Summary

Identification code 14-0102-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Direct Program:			
Total number of full-time permanent positions	710	683	588
Total compensable workyears:			
Full-time equivalent employment	705	704	604
Reimbursable program:			
Total number of full-time permanent positions	16	29	20
Total compensable workyears:			
Full-time equivalent employment	21	29	20
Average ES salary	$68,912	$68,912	$68,912
Average GS grade	10.57	10.56	10.57
Average GS salary	$32,986	$33,215	$33,485
Average salary of ungraded positions .	$26,976	$27,047	$27,077

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
CONSTRUCTION MANAGEMENT

Appropriation Summary Statement
(Program and Performance)

This office assists the bureaus and offices of the Department of the Interior in improving their performance in planning, designing, constructing and operating facilities.

Appropriation Language Sheet

CONSTRUCTION MANAGEMENT

For necessary expenses of the Office of Construction Management, $684,000. *[$780,000: Provided, That the Secretary of the Interior shall submit to the House and Senate Committees on Appropriations a revised Memorandum of Agreement between the Bureau of Indian Affairs and the Office of Construction Management, vesting the program direction and control of the facility design, construction, repair, operation and maintenance programs of the Bureau in the Office of Construction Management, and a detailed plan for implementation of said Agreement, within 60 days of the enactment of this Act.]*

(43 U.S.C. 1451, 1457; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Justification of Proposed Lanaguage Change

Construction Management

1. Deletion: "....... *Provided, That the Secretary of the Interior shall submit to the House and Senate Committees on Appropriations a revised Memorandum of Agreement between the Bureau of Indian Affairs and the Office of Construction Management, vesting the program direction and control of the facility design, construction, repair, operation and maintenance programs of the Bureau in the Office of Construction Management, and a detailed plan for implementation of said Agreement, within 60 days of the enactment of this Act.*"

This language, included in the 1986 Appropriation Bill, directs that certain activities be completed during 1986. Since this does not carry over into 1987, it is therefore proposed to be deleted.

Appropriation Language Citations

Appropriation: Construction Management

Appropriation language and citations:

1. For necessary expenses of the Office of Construction Management, ______.

43 U.S.C. 1451, 1457

This activity is authorized under the general authorization for the Office of the Secretary, 43 U.S.C. 1451, 1457 and Reorganization Plan No. 3 of 1950; 64 Stat. 1262, as amended 66 Stat. 121.

OFFICE OF THE SECRETARY
Construction Management
Summary of requirements
(Dollar Amounts in Thousands)

Appropriation: Construction Management

Summary of base adjustments:	FTE-T	Amount	FTE-T	Amount
Appropriation, FY 1986			13	775
Reductions pursuant to Public Law 99-177				-33
Adjusted FY 1986 Appropriation			13	742
Adjustments to base:				
Adjustment for 1986 impact of Public Law 99-177		33		
Total, adjustments to base				33
FY 1987 Base Budget			13	775
Program changes			-3	-91
Total Requirements (FY 1987 Estimate)			10	684

Comparison by activity/ subactivity:	FY 1985 Actual		FY 1986 Enacted to Date		P.L. 99-177 Reductions	FY 1986 Adjusted Appropriation	FY 1987 Base Budget		FY 1987 Estimate		Inc/Dec - from FY 1986 Appropriation		from FY 1986 Adjusted Appropriation	Inc/Dec - from FY 1987 Base	
	FTE-T	Amount	FTE-T	Amount	Amount	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	Amount	FTE-T	Amount
Construction Management	13	735	13	775	-33	742	13	775	10	684	-3	-91	-58	-3	-91
Total requirements	13	735	13	775	-33	742	13	775	10	684	-3	-91	-58	-3	-91

OFFICE OF THE SECRETARY
CONSTRUCTION MANAGEMENT
Justification of Base Adjustments
(Dollar amounts in thousands)

	FTE-T	Amount
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	---	+33

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Justification of Program and Performance

Activity: CONSTRUCTION MANAGEMENT

(in thousands of dollars)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	775	742	775	684	-91
(FTE-T)	(13)		(13)	(10)	(-3)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reductions	1986 Adj. Approp.
$	775	-33	742

As a result of the $33 thousand P.L. 99-177 reduction, the purchase of supplies and other operations costs will be deferred, some travel will be reduced and the filling of all but the most critical vacancies will be delayed.

Authorization: 25 U.S.C. 13 and 25 U.S.C. 450 et. seq.

Objective: The Office of Construction Management (PCM) was established to assist the Bureaus and Offices of the Department in improving their performance in planning, designing, constructing, and operating facilities.

Base Program: In accomplishing this objective, the Office provides technical assistance, consultation, and support in the planning, design, construction, and facility operation services of bureaus in the Department. Since 1979, efforts in these areas have focused on the Bureau of Indian Affairs (BIA) by providing direct and contract support in development and implementation of operational improvements in their facilities program.

Initiatives resulting through contracts awarded in previous years should result in developing the capability of BIA to direct and manage its own facilities program. In 1987 the Office of Construction Management will begin to relinquish direct control of BIA activities while maintaining an oversight and monitoring role. Specific emphasis will be in the following areas:

Facility Management Standards and Operational Controls: Annual work plans for facility operation and maintenance were developed in 1985 for many BIA sites. The first prototype annual programs will be tested in a pilot implementation program in 1986 for possible expansion bureauwide in 1987.

In 1987 further fine-tuning of the annual work plans will allow for distribution of Operations and Maintenance funds on a needs basis and to institute a bureau-wide preventative maintenance program. Implementation of the Facility Management Control System will be made to assure continuous vertical lines of accountability from the facilities through the agencies and areas to the central office.

Skilled Crafts and Trades Development: Detailed technologies and job performance aids (JPA) for operation and preventive maintenance of facilities have been developed. In the summer of 1986 each site will have identified the required technologies and JPA's to operate the plant. These will then be made available and a training process provided to facility staff.

Project Planning: The development of advance project management planning began in 1980. In 1986 the project management planning system will be applied to new construction and repair and improvement projects to allow for development of project needs. BIA will assume this function in 1987.

Repair and Improvement: In 1987 PCM will continue to advise senior BIA officials in their efforts to repair and improve deteriorated facilities. Identification of repair and improvement needs is made by reviewing the facilities inventory and by evaluating the condition of specific facilities. Efforts to reduce the back log of repair and improvement needs will continue for several years.

FACCOM: Development of an integrated data base management system for BIA's facility programs is essentially complete. User requested enhancements and refinements will be implemented in 1986. In 1987 the Office's assistance in this program should be concluded.

BIA Organization Improvement: In 1986 PCM will assist the BIA in establishing the organization structure and systems required to manage its own programs. In 1987 this realignment should permit the transfer of responsibilities to begin.

Decrease from 1987 Base:

(dollars in thousands)

	FY 1986 Base	FY 1986 Estimate	Difference
$	775	684	-91
(FTE-T)	(13)	(10)	(-3)

The proposed reduction of 3 workyears and $91,000 is related to achieving economies and efficiencies in operations and reducing the Federal deficit. Increased productivity and streamlining of policy will result in reduced staff requirements.

Distribution of change by Object Class:

The object class detail by the proposed $91,000 decrease is as follows:

Object Class	FTE-T	Amount
Personnel compensation	-3	$-82
Personnel benefits		-9
Total decrease	-3	$-91

Summary of Requirements by Object Class
(Dollar amounts in thousands)

Appropriation: Construction Management

Object Class		1987 Base FTE-T	1987 Base Amount	1987 Estimate FTE-T	1987 Estimate Amount	Inc.(+) or Dec.(-) FTE-T	Inc.(+) or Dec.(-) Amount
11	Personnel compensation:						
11.1	Permanent positions - FTE-P	13	532	10	450	-3	-82
11.3	Positions other than permanent	--	--	--	--	--	--
	Total personnel compensation	13	532	10	450	-3	-82
12.0	Personnel benefits		62		53		-9
21.0	Travel and transportation of persons		10		10		--
23.1	Standard level user charges		63		63		--
23.3	Communications, utilities & other rent		10		10		--
24.0	Printing and reproduction		6		6		--
25.0	Other services		86		86		--
26.0	Supplies and materials		6		6		--
31.0	Equipment		--		--		--
	Total requirements		775		684		-91

DEPARTMENT OF THE INTERIOR
CONSTRUCTION MANAGEMENT

Program and Financing (in thousands of dollars)

Identification code 14-0103-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations	724	775	684
Financing:			
25.00 Unobligated balance lapsing .	11	--	--
39.000 Budget authority	735	775	684
Budget authority:			
40.00 Appropriation	735	780	684
40.00 Reduction pursuant to P.L 99-190	--	-5	--
43.00 Appropriation (adjusted)	735	775	684
Relation of obligations to outlays:			
71.00 Obligations incurred, net ...	724	775	684
72.40 Obligated balance, start of year	791	274	149
74.40 Obligated balance, end of year	-274	-149	-83
77.00 Adjustments in expired accounts	-71	--	--
90.00 Outlays	1,170	900	750

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(in thousands of dollars)

Identification code 14-0103-0-1-306	1985 Actual	1976 Estimate	1987 Estimate
Enacted/requested:			
Budget authourity	--	775	--
Outlays	--	900	--
Reduction pursuant to P.L. 99-177:			
Budget authority	--	-33	--
Outlays	--	-30	--
Total:			
Budget authority	--	742	--
Outlays	--	870	--

DEPARTMENT OF THE INTERIOR
CONSTRUCTION MANAGEMENT

REDUCTION PURSUANT TO PUBLIC LAW 99-177

Program and Financing (in thousands of dollars)

Identification code 14-0103-6-1-306	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Direct program:			
10.00 Total obligations	--	-33	--
Financing:			
40.00 Budget authority (appropriation)	--	-33	--
Relation of obligations to outlays:			
71.00 Obligations incurred, net	--	-33	--
72.40 Obligated balance, start of year	--	--	-3
74.40 Obligated balance, end of year	--	3	--
90.00 Outlays	--	-30	-3

These reductions are required by the Balance Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
CONSTRUCTION MANAGEMENT

Object Classification (in thousands of dollars)

Identification Code 14-0103-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Personnel compensation:			
11.1 Full-time permanent	478	532	450
Other than full-time permanent	3	--	--
11.5 Other than personnel compensation	5	--	--
11.9 Total personnel compensation	486	532	450
12.1 Personnel benefits: Civilian	53	62	53
21.0 Travel and transportation of persons	6	18	18
23.1 Standard level user charges	47	33	43
~~23.3~~ Communications, utilities, and miscellaneous charges	12	18	18
24.0 Printing and reproduction	2	4	4
25.0 Other services	115	164	94
26.0 Supplies and materials	2	4	4
31.0 Equipment	1	--	--
99.9 Total obligations	724	775	684

Personnel Summary

Identification Code 14-0103-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Total number of full-time permanent positions	13	13	10
Total compensable workyears: Full-time equivalent employment	13	13	10
Average GS grade	10.57	10.56	10.57
Average GS salary	$32,986	$33,215	$33,485

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Appropriation Summary Statement
(Program and Performance)

The Department's Special Foreign Currency Program is authorized under 7 U.S.C. 1704 and 31 U.S.C. 1306. Under this program, the Department provides leadership and support in the conduct of selected research projects carried out by foreign nations. Payments are made in foreign currencies which the Treasury determines to be excess to normal requirements of the United States. Research performed by foreign countries and financed through this account is in support of the Department's domestic endangered species and mining reclamation programs.

Unobligated balances carried over from prior years have been allocated to the Fish and Wildlife Service, National Park Service and Office of Surface Mining. Utilization of these unobligated balances is contingent on appropriate action by the host country.

Funds appropriated for the Special Foreign Currency Program in 1986 have been allocated to the Fish and Wildlife Service and to the National Park Service to be utilized in specific research programs beneficial to the bureaus conducted in India and Pakistan.

Appropriation Language Sheet

OFFICE OF THE SECRETARY

(SPECIAL FOREIGN CURRENCY PROGRAM)

[For payment in foreign currencies which the Treasury Department shall determine to be excess to the normal requirement of the United States, for necessary expenses of the United States Fish and Wildlife Service and the National Park Service as authorized by law, $1,000,000, to remain available until expended: Provided, That this appropriation shall be available, in addition to other appropriations, to such office for payment in the foregoing currencies (7 U.S.C. 1704).]

(43 U.S.C. 1451, 1457; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

OFFICE OF THE SECRETARY

Appropriation Language Citations

Appropriation: Office of the Secretary (Special Foreign Currency Program)

Appropriation language and citations:

1. For payment in foreign currencies which the Treasury Department shall determine the excess to the normal requirement of the United States, for necessary expenses of the United States Fish and Wildlife Service and the National Parks Service as authorized by law, $_________.

   7 U.S.C. 1704

   7 U.S.C. 1704 provides that: "Notwithstanding any other provision of law, the President may use or enter into agreement with foreign countries or international organizations to use the foreign currencies...for one or more of the following purposes: (b) For carrying out programs of United States Government agencies to (3) Collect, collate, translate, abstract, and disseminate scientific and technological information and conduct research and support scientific activities overseas including programs and projects off scientific cooperation between the United States and other countries...Provided, further, that paragraphs (2), (3), and (4) of the foregoing proviso shall not apply in the case of any nation where the foreign currencies or credits owned by the United States and available for use by it in such nations are determined by the Secretary of the Treasury to be in excess of the normal requirements of the departments and agencies of the United States for expenditures in such nations for the two fiscal years following the fiscal year in which such determination is made."

2. to remain available until expended:

   No specific authority

   The timing of research projects is difficult to predict. The dealing with foreign countries with different fiscal years add a new dimension to this problem. The "to remain available until expended" provision assures that funding will be available should slippage from one fiscal year to another occur.

3. Provided, that this appropriation shall be available, in addition to other appropriations, to such offices for payments in the foregoing currencies

   31 U.S.C. 1306

   31 U.S.C. 1306 provides that: "Foreign credit owed to or owned by the United States Treasury will not be available for expenditure by agencies except as provided annually in general appropriation laws."

OFFICE OF THE SECRETARY
Salaries and Expenses (Special Foreign Currency Program)
Summary of requirements
(Dollar Amounts in Thousands)

Appropriation: Salaries and Expenses (Special Foreign Currency Program)

Summary of base adjustments:	FTE-T	Amount	FTE-T	Amount
Appropriation, FY 1986				994
Reductions pursuant to Public Law 99-177				-43
Adjusted FY 1986 Appropriation			0	951
Adjustments to base:				
Adjustment for 1986 impact of Public Law 99-177		43		
Total, adjustments to base				43
FY 1987 Base Budget				994
Program changes				-994
Total Requirements (FY 1987 Estimate)			0	0

Comparison by activity/ subactivity:	FY 1985 Actual		FY 1986 Enacted to Date		P.L. 99-177 Reductions	FY 1986 Adjusted Appropriation	FY 1987 Base Budget		FY 1987 Estimate		Inc/Dec - from FY 1986 Appropriation		from FY 1986 Adjusted Appropriation	Inc/Dec - from FY 1987 Base	
	FTE-T	Amount	FTE-T	Amount	Amount	Amount	FTE-T	Amount	FTE-T	Amount	FTE-T	Amount	Amount	FTE-T	Amount
Endangered species		1,960		994	-43	951		994		0		-994	-951		-994
Mining reclamation research						0				0		0	0		0
Total requirements	0	1,960	0	994	-43	951	0	994	0	0	0	-994	-951	0	-994

OFFICE OF THE SECRETARY

SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Justification of Base Adjustments
(Dollar amounts in thousands)

	FTE	Amount
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations	--	+43

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Authorization:

The Special Foreign Currency Program is specifically authorized under 7 U.S.C. 1704 and 31 U.S.C. 724.

Justification of Program and Performance

Activity: Endangered Species/Mining Reclamation Research

(Dollar amounts in thousands)

	FY 1986 Enacted to Date	FY 1986 Adj. Approp.	FY 1987 Base	FY 1987 Estimate	Inc. (+) Dec. (-) from Base
$	994	951	994	--	-994
(FTE-T)	(--)	(--)	(--)	(--)	(--)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Ruductions	1986 Adj. Approp.
$	994	-43	951

As a result of the $43 thousand P.L. 99-177 reduction, there will be a decrease in research contracts awarded to foreign countries utilizing excess foreign currencies.

Program Description:

A description of Special Foreign Currency base program activity for each of the bureaus is as follows:

UNITED STATES FISH AND WILDLIFE SERVICE

Major Program Accomplishments Realized In 1985:

Egypt

- Continuation of major contract to develop national conservation strategy;
- Library and publication support for various agencies in Egypt;
- Assistance in development of a natural protectorate on the Sinai;
- Assistance in development of major biological survey of a proposed park area in Egypt;

° Support of two Egyptian delegates to international conference in India on marine parks and endangered marine animals;

° Assistance in production of calendars and book on common birds of Egypt;

° Support of graduate school training in wildlife management in U.S. for Egyptian biologist;

° Support of graduate school training in wildlife management in Scotland for Egyptian biologist;

° Support for Egyptian biologist to U.S. international seminar on park administration and management;

° Support of two Egyptian wildlife managers to U.S. for marine resource management orientation and training; and

° Support of two Egyptian biologists to U.S. course on wildlife research investigational techniques.

Pakistan

° Support of major conservation program for cranes including production of environmental education materials such as an audiovisual program on cranes of the Asian subcontient in two languages and film;

° Assistance in development of wildlife research and management activities for endangered species such as monitor lizard, snow leopard, urial and ibex;

° Assistance in planning, developing, and administering 6-week wildlife research and management investigational techniques training workshop in Pakistan;

° Assistance in support for two Pakistani delegates to an international meeting in Argentina on trade in endangered species;

° Support of two Pakistani delegates to workshop in Nepal on management of national parks and protected areas;

° Support of one Pakistani biologist to international conference in India on marine parks and endangered marine animals;

° Assistance and support of three Pakistani biologists to U.S. course on wildlife research investigational techniques;

° Assistance for one Pakistani wildlife manager for graduate school training in U.S.; and

- ° Library and publication support for various agencies in Pakistan.

India

- ° Continuation of 4, 5-year contracts on the Movement and Population Structure of Indian Avifauna; Study, Survey and Conservation of Threatened and Endangered Species of Flora; Development of a Hydrobiological Research Station at Bharatpur; and Study of Endangered Species and Their Habitats;
- ° Assistance in development of Government of India Wildlife Institute;
- ° Support of international conference in India on marine parks and endangered marine animals;
- ° Assistance and support for one India wildlife biologist for post-graduate training in U.S.;
- ° Assistance and support for one Indian biologist to U.S. course on wildlife research investigational techniques;
- ° Assistance and support for research projects in India on monitor lizard, snow leopard, giant squirrel and Asiatic lion;
- ° Assistance and support for one Indian educator to U.S. training program on environmental education;
- ° Assistance and support of development of environmental education projects, winter ecology of raptors and data processing; and
- ° Library and purblication support of various agencies in India.

Anticipated Projects In FY 1986 And 1987 (ongoing):

India

- ° Assistance to Wildlife Institute
- ° Establishment of Wetlands Research Station
- ° Hydrobiological Station Research Project Ext.
- ° Avifauna Survey Extension
- ° Grant Program
- ° Wildlife Film Series
- ° Embassy Administration Support
- ° Project Development Support
- ° Kanha Park Interpretive Support

Pakistan

- ° Zoological/botanical Park
- ° Endangered Species Management

- Training Program
- Monitor Lizard Survey
- Grants Program
- Conservation Education Program
- Embassy Support

Egypt

- Endangered Species Conservation Plan Extension
- Training Project
- Conservation Education Program
- Embassy Support
- Project Development Support

National Park Service

National Park Service (NPS) Special Foreign Currency appropriations in India have been utilized to establish effective institutional and personal relationships with the Department of Forests and Wildlife, Ministry of Environment; the Wildlife Institute of Indian, various state conservation departments, and World wildlife Fund-India.

While mutual technical benefits and interests are associated with these activities, the primary NPS interest relates to implementation of specific Congressional/statutory directory direction to the Secretary of Interior. Section 8 of the Endangered Species Act (P.L. 97-304), implementation of the Convention Concerning Protection of the World Natural and Cultural Heritage (P.L. 96-515, ratified by India and the U.S.) and the International Environmental Protection Act of 1983 (P.L. 98-164) impose specific obligations on NPS for international cooperation in natural and cultural resource conservation and related technical and educational efforts. In the 1984 report to Congress "Conserving International Wildlife Resources," the Secretaries of State and Interior listed Special Foreign Currency funded NPS conservation programs in India as a priority recommendation for continued U.S. international leadership.

NPS activities have been carried out under the auspices of the U.S.-India Subcommission on Science and Technology. At its May 1985 meeting, the Subcommission endorsed NPS ongoing activities and recommended additional new areas of cooperation.

NPS cooperation has involved ongoing communication and exchanges of technical personnel for consultancies and training in the following areas:

- National park planning and management;

- National and regional inventories of natural resources;

- Design of park facilities;

- Planning, design, production of interpretive (visitor education) materials;

- Planning and management of interpretive programs;
- Survey and mapping techniques;
- Park and protected area legislation;
- Strategies for conservation and documentation of biological diversity;
- Environmental education techniques for school teachers and nature club advisors;
- Audio-visual materials for conservation themes and training; and
- Historic preservation and cultural resources management.

Individual NPS projects have achieved the following:

- Detailed management plans for Indian National Parks;
- Site development designs for five nature reserves in Gujarat;
- Design recommendations for the Mahim Nature Park, Bombay;
- 1982 Indo-U.S. Workshop on Conservation of Biological Diversity;
- Recommended national legislation for nature conservation;
- Government of India ratification of the World Heritage Convention;
- Indian participation in the World Congress on National Parks;
- The first meeting of Asian regional conservation officers (15 nations, including U.S.) at Corbett National Park, India;
- Regional strategy for conservation in the Indo-Malayan Biotic Realm;
- The National Geographic film, "Birds of the Indian Monsoon;"
- Detailed interpretive development plans for Kanha National Park (Madhya Pradesh) and the National Zoological Park, New Delhi (implementation presently inderway); and
- A total of 15 man months in technical training of Indian specialists.

Major projects include:

National Park Interpretation/Environmental Education

The priority activity for the NPS is continuation of direct institutional collaboration in national park interpretation and environmental education. A series of cooperative activities in this area were endorsed by the Assistant Secretary of Interior and Deputy Minister of Environment in February 1985.

Training of Interpretive Personnel

This includes a series of short term technical level seminars and workshops at the Wildlife Institute and various national parks. Subjects would comprise: parks' role in tourism, visitor use and carrying capacities, local community relations, interpretive program management/training of personnel, interpretive planning/design, and techniques of interpretation.

Park Planning Consultation/Training

This includes a series of short term exchanges and training sessions. NPS and India planning officers will interact regarding: planning process, land use planning, survey and mapping techniques, management zoning, site and facility design, road construction and maintenance, and interdisciplinary planning team composition/functioning.

Marine Parks and Coastal Zone Conservation

This includes an Indo-U.S. workshop on this subject to bring together specialists from both sides to implement model feasibility studies for coastal/marine protected areas and prepare integrated coastal management model assessments. Suggested participation on both sides including NPS, NOAA and FWS and university representation from the U.S.

OFFICE OF SURFACE MINING RECLAMATION AND ENFORCEMENT

The mining reclamation research program provides American technology and expertise to unique environmental problems in India as a result of surface mining activities, and provides training for Indian scientists and engineers in latest land reclamation technology.

In response to the President's initiative to broaden and expand the Science and Technology Program with the Government of India, the Office of Surface Mining is assisting India with surface mining research through the development of environmental management plans and environmental water quality models, while advancing the state-of-the-art in American reclamation technology.

During Fiscal Year 1985, OSM in cooperation with officials from the Government of India, developed proposals for three research projects. As a result, at the beginning of the third quarter of Fiscal Year 1985, a Memorandum of Agreement between the Office of Surface Mining and the American Embassy in India was approved for the development of Environmental Management Plans in the Jharia and Singrauli coalfields and Environmental Models for Water Quality for India's coal mines.

The purpose of these projects is to: (1) assist the Government of India in the development and implementation of sound environmental considerations in their overall mining program and postmining land reclamation; (2) advance American technology, through application, to unique environmental problems of India; and (3) provide onsite training of U.S. scientists and engineers in the solution to these unique problems for application in the United States of America. The successful completion of these projects will advance the Indian state-of-the-art in surface mine planning and reclamation technology and at the same time provide information and training within the United States.

During Fiscal Year 1986, the first workshops, two on Environmental Management Planning and one on Water Quality Treatment will be conducted. The Environmental Management Plan for Jharia is for a coalfield which has been mined over 70 years with no reclamation initiated up to this time. On the other hand, the Environmental Management Plan for Singrauli is for a new coalfield, the majority of which is in the planning stages, to develop environmental baselines and demonstrate reclamation technology during active mining. The third project deals with Water Quality Treatment Technology which will develop the best technology applicable to Indian coalfields and set up pilot demonstrations projects. Also, as a part of each of these projects, there will be workshops conducted in India by OSM personnel and information exchange programs which will provide training of Indian professionals within the United States of America.

In Fiscal Year 1987, the remaining workshops on Environmental Management Planning and Water Quality are scheduled; plans for initiating new research in Fiscal Year 1988 will be developed; and development and application of lessons learned to U.S. environmental problems will be initiated.

No funds are requested under this account in 1987, for a decrease of $996,000 from base amounts.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

Program and Financing (in thousands of dollars)

Identification code 14-0105-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
00.01 Endangered species	1,858	1,766	--
00.02 Mining reclamation research .	12	408	--
10.00 Total obligations (object class 25.0)	1,870	2,174	--
Financing:			
21.40 Unobligated balance available, start of year ...	-1,089	-1,180	--
24.40 Unobligated balance available, end of year	1,180	--	--
39.00 Budget authority	1,960	994	--
Budget authority:			
40.00 Appropriation	1,960	1,000	--
40.00 Reduction pursuant to P.L. 99-190	--	-6	--
43.00 Appropriation (adjusted)	1,960	994	--
Relation of obligations to outlays:			
71.00 Obligations incurred, net ...	1,870	2,174	--
72.40 Obligated balance, start of year	623	2,175	2,349
74.40 Obligated balance, end of year	-2,175	-2,349	-349
90.00 Outlays	318	2,000	2,000

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS

(in thousands of dollars)

Identification code 14-0105-0-1-306	1985 Actual	1986 Estimate	1987 Estimate
Enacted/requested:			
Budget authority	--	994	--
Outlays	--	2,000	--
Reduction pursuant to P.L. 99-177:			
Budget authority	--	-43	--
Outlays	--	-4	--
Total:			
Budget authority	--	951	--
Outlays	--	1,996	--

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
SALARIES AND EXPENSES (SPECIAL FOREIGN CURRENCY PROGRAM)

REDUCTION PURSUANT TO PUBLIC LAW 99-177

Program and Financing (in thousands of dollars)

Identification code 14-0105-6-1-306	1985 Annual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations	--	-43	--
Financing:			
40.00 Budget authority (appropriation)	--	-43	--
Relation of obligations to outlays:			
71.00 Obligations incurred, net	--	-43	--
72.40 Obligated balance, start of year	--	--	-39
74.40 Obligated balance, end of year	--	39	--
90.00 Outlays	--	-4	-39

These reductions are required by the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177).

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

Consolidated schedule of permanent positions, Office of the Secretary

	1985 Actual	1986 Estimate	1987 Estimate
Executive Level I............	1	1	1
Executive Level III..........	1	1	1
Executive Level IV...........	6	6	6
subtotal................	8	8	8
ES-6........................	7	7	7
ES-5........................	16	16	16
ES-4........................	19	19	19
ES-3........................	5	5	5
ES-2........................	2	2	2
ES-1........................	3	3	3
subtotal................	52	52	52
GS-18.......................	1	1	1
GS-17.......................	2	1	1
GS-16.......................	16	12	12
GS-15.......................	105	118	113
GS-14.......................	126	130	124
GS-13.......................	89	96	91
GS-12.......................	86	96	91
GS-11.......................	57	53	51
GS-10.......................	13	17	16
GS-9........................	68	68	65
GS-8........................	39	32	30
GS-7........................	92	80	76
GS-6........................	67	71	68
GS-5........................	43	52	50
GS-4........................	30	33	31
GS-3........................	25	15	14
GS-2........................	3	2	2
subtotal................	862	877	836
Ungraded....................	43	42	42
Total permanent positions...	965	979	938
Unfilled positions, end of year.................	-9	-10	-6
Total permanent employment, end of year.................	956	969	932

DEPARTMENT OF THE INTERIOR

FY 1987 Budget for Consulting Services

Bureau: Office of the Secretary

Appropriation Account Title/ Iden. Code No.	Amount Requested in 1987 ($000)	Program Requiring Services	Description of Need for Services
Office of the Secretary (14-0102-0-1-306)	20	Policy Analysis	This amount represents the estimated cost of potential studies contracts on various critical or sensitive matters to be addressed at the Secretarial level, as appropriate.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY

ADMINISTRATIVE PROVISIONS

There is hereby authorized for acquisition, from available resources within the Working Capital Fund, [5] 12 additional aircraft, [all] 10 of which shall be for replacement only: Provided, that no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and "Office of Inspector General" may be augmented through the Working Capital Fund or the Consolidated Working Fund.

(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)

Explanation of Language Change

The above language is proposed to authorize the purchase of 2 additional and 10 replacement aircraft for existing Office of Aircraft Services owned planes.

31 U.S.C. 638 (b) requires specific authority for the purchase of aircraft. This applies to both replacement and additional aircraft.

Each year, as part of the budget process the Office of Aircraft Services reviews records and estimates how many aircraft will need to be replaced or new additional aircraft purchased in a given year. This estimate provides for general replacement of aircraft and some contingency in case of destruction of aircraft. Some aircraft, because of their unique nature and age, are no longer manufactured and as such can not be replaced, so substitute aircraft are obtained.

The 2 additional aircraft requested are in support of bureau programs in Alaska.

If the estimated number of aircraft requested in the budget is determined to be insufficient to meet program requirements in a given year, i.e., the need to replace an aircraft due to a crash, the Department will seek additional procurement authority as required by law.

Appropriation Language Citations

Appropriation: Administrative Provisions

Appropriation language and citations:

1. There is hereby authorized for acquisition, from available resources within the Working Capital Fund, _____ additional aircraft, ______ of which shall be for replacement only:

   31 U.S.C. 638(b)

   31 U.S.C. 638(b) provides that, "Excepting appropriations for the military and naval establishments, no appropriations shall be available for the purchase, maintenance, or operation of any aircraft unless specific authority for the purchase, maintenance, or operation thereof has been or is provided in such appropriations."

2. Provided, that no programs funded with appropriated funds in the "Office of the Secretary", "Office of the Solicitor", and the "Office of Inspector General " may be augmented through the Working Capital Fund or the Consolidated Working Fund.

   No specific authority

ALLOCATIONS RECEIVED FROM OTHER ACCOUNTS

Note - Obligations incurred under allocations from other accounts in 1984 are included in the schedules of the parent appropriations as follows:

Labor: Employment and Training Administration, "Training and Employment Services."

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WORKING CAPITAL FUND

Appropriation Summary Statement

(Program and Performance)

This fund finances central reproduction, communication, supplies, health services, aircraft, and other such services which may be performed more advantageously on a reimbursable basis (43 U.S.C. 1467). The capital consists of $300 thousand appropriated, and donated assets of $169 thousand.

WORKING CAPITAL FUND NARRATIVE STATEMENTS

The Working Capital Fund was established pursuant to 43 U. S. C. 1467, to provide required Central Services efficiently and economically at cost.

Positions and Ceiling Equivalents for the Working Capital Fund are included in the Consolidated Schedule of Positions for the Office of the Secretary.

Organizations receiving services from the Working Capital Fund are billed their fair of the costs of the Fund based on the level of services rendered. As in the past, the Managers of the Fund will continue their efforts to consolidate as many administrative functions as possible. These consolidation efforts, though possible more costly in their initial phases, should produce significant reductions in later years by the elimination of different layers of administrative overhead.

The following statements are included to provide additional information on the Fund:

Statement of Obligations and Workyears (FTEs) Estimates by Function
Statement of Revenue by Organization and Function
Statement of Financial Condition as of September 30, 1985
Statement of Income and Retained Earnings for Fiscal Year 1985

A brief description of the functions funded through the Fund is as follows:

I. DIRECT BILLING ACTIVITIES - Costs incurred by these activities are recovered by directly billing the users based on the level of service provided in support of orders received. Activities funded by direct billings and the performing office are described below by function.

MOTOR VEHICLE CREDIT CARDS (OFFICE OF ACQUISITION AND PROPERTY MANAGEMENT)

This activity provides for the production, by one source, of all of the motor vehicle credit cards needed for Interior owned vehicles. The bureaus phone the supplier and order the credit cards directly. The company a prepares consolidated billing and forwards it to the Department for payment. Bureaus are billed for the number of credit cards ordered.

DEPARTMENTAL PRINT PLANT AND COPY CENTERS (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides a full range of duplicating, binding and finishing, addressing and mailing services for all organizations in the Washington, D.C. area and Departmental field offices requesting service. Services include: operation of six copy centers in the Main Interior Building; processing work orders for in-plant printing services; and operating a computerized addressing and mailing system. A specific objective will be to continue to automate and modernize print plant equipment in order to achieve a more efficient and economical operation.

The activity provides contract printing services from the Government Printing Office, contractors and minority printing contractors for all activities in the Washington, D.C. area and Departmental field offices requesting service, as well as contract photographic processing. Charges are based directly on the individual cost of printing and or photographic processing services provided to the user. Also, the activity provides indexing services for appropriation subcommittee hearings for all Departmental bureaus and offices.

POSTAGE (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides for the cost of postage used for Department of the Interior organizations in the Washington, D.C. area and Office of the Secretary and Other Departmental Offices with field activities. Included are the costs for U.S. Postal Service (USPS) certified, registered, other return receipt, regular mail service, USPS Express mail and Department of Defense (DOD) billings for overseas postal service. The processing of all the Department's mail in a centralized account allows for immediate processing of USPS and DOD billing statement.

MISCELLANEOUS AND LEGISLATIVE PRINTING (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides for the cost of all miscellaneous and legislative printed materials which are ordered by the bureaus and offices of the Department. These printed material included House and Senate Calendars, etc.

PATENT FEES (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides a deposit account with the Patent and Trademark Office, Department of Commerce, to pay patent filing and coupon fees. This service is available to all Department of the Interior bureaus and offices.

CONSOLIDATED PROCUREMENT - SPACE AND FACILITIES MANAGEMENT (OFFICE OF ADMINISTRATIVE SERVICES)

This activity funds miscellaneous administrative services which are obtained through service contracts with the General Services Administration (GSA) and private companies which are on GSA schedules. Specific services provided include, but are not limited to, fabrication and purchase of door name plates (signs identifying occupants) and miscellaneous signs and telecommunications related services (credit cards, maintenance, etc.)

CONSOLIDATED PROCUREMENT - GENERAL SERVICES (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides a central facility for the ordering of office supplies and equipment, contract labor services, office machine repair, laundry services, commercial express mail services, picture framing services, and miscellaneous other goods and services from local vendors for the organizations serviced. Goods and services ordered are subject to very stringent time frame requirements. This activity provides a central point for charging of the costs associated with Blanket Purchase Agreements (BPA) and therefore eliminates the requirements of serviced organizations to individually maintain BPAs. Charges to requesting offices are based upon exact invoice charges.

AIRCRAFT SERVICES (OFFICE OF AIRCRAFT SERVICES)

The Office of Aircraft Service (OAS) was established to improve aviation safety and aviation cost effectiveness and , as such, has Departmentwide responsibility and authority for directly managing and supervising all Departmental in-house aircraft, aircraft facilities and aviation related personnel; assigning aircraft to bureaus and offices as required; procuring charter and rental aircraft services in support of bureaus and offices;

contracting for all bureau aircraft procurements, aircraft services and aviation maintenance; assisting bureaus in determining whether aircraft should be government-owned, leased, contracted or chartered; and coordinating aircraft use in such a manner as to obtain the best utilization of existing equipment, consistent with various mission requirements.

The Department of the Interior utilizes approximately 90 owned or in-house operated aircraft, upwards of 350 annual contracted or leased aircraft, as well as approximately 3,000 charter aircraft which are provided to the using bureaus and offices by OAS.

II. CENTRALIZED ADMINISTRATIVE SERVICES - The costs incurred by these activities are billed to users based on workload indicators compiled by the performing office. These indicators include historical data on usage, number of personnel serviced, number of transactions processed, or other quantitative data available; that has been updated for anticipated current year activities. Activities funded by Centralized Administrative Services and the performing office are described below by function.

DEPARTMENTAL BROADCAST AND ELECTRONIC COMMUNICATION CENTER (OFFICE OF PUBLIC AFFAIRS)

The Departmental Broadcast and Electronic Communication Center (DBECC) provides numerous services for the various bureaus and offices in the Department. Services include audiotape mastering, audio and videotape duplication, dubbing, limited master tape editing, transcripts, and provision of original tapes. Radio and TV actualities, and editorial replies are developed and distributed. Taping time is scheduled as needed. News releases are electronically transmitted to the National Press Club and bureaus, and electronic access to news wires is available. The major television network news and public affairs programs are monitored.

Departmental operation of this facility eliminates the need for the bureaus to purchase and operate equipment for similar services. Further, it supports the Office of Management and Budget mandate for reduced audiovisual production centers. DBECC will also enable a greater degree of automation in public affairs activities throughout the Department.

EEO COMPLAINTS INVESTIGATIONS (OFFICE FOR EQUAL OPPORTUNITY)

The EEO Complaints Investigations Branch is responsible for investigating complaints of discrimination against the Department and its bureaus. This responsibility is established by 29 C.F.R. Section 1613 and it encompasses the fact finding phase of complaints discrimination processing only.

By regulation, investigators" must occupy a position in the agency which is not directly or indirectly under the jurisdiction of the head of that part of the agency in which the complaint arouse." Thus to maximize effectiveness, avoid conflict of interest, and assure that costs are borne by the organizational entity against which the complaint is lodged, the program was centralized and costs prorated based on percent of usage. Investigators travel throughout the country to interview witnesses and collect pertinent documentation.

MEDICAL AND HEALTH SERVICES (OFFICE OF PERSONNEL)

This activity administers the Departmentwide Employee Assistance program, special Department Psychiatric Fitness for Duty Examination Panel, and an occupational health service program, provides medical coverage to all law enforcement units of the Department. Issues medical standing orders to emergency medical technicians, paramedics, and nurses who serve in the public parks, etc. Provides expert advice on medical and environmental health matters to bureaus and field offices and other Departmental officials on matters pertaining to medical policies and health hazards. Reviews and evaluates pre-employment and in-service medical examinations, provides medical advice and guidance to field offices, provides health education and counseling services, and administers special preventive health examinations and immunizations. Coordinates the Department's Blood Donor efforts in conjunction with the American Red Cross. Provides medical direction to the Departmentwide Emergency Medical Service. Administers the Departmentwide Medical Surveillance Program. Provides medical direction to the Department's Emergency Medical Technician certification and registration program.

DEPARTMENTAL HUMAN RESOURCES DEVELOPMENT CENTER (OFFICE OF PERSONNEL)

This activity provides services to bureaus and offices throughout the Department through a variety of training and development programs. These programs include the Departmental Manager Development Program, the executive development programs, and labor-relations training. Provides all Departmental policy and program guidance in the training and career development areas, including supervisory training, upward mobility, and special emphasis programs, such as productivity improvement. Operates the Departmental Learning Center and Denver Learning Center which emphasizes training needs to improve job performance. Manages all Departmental career development programs. Provides additional assistance to bureaus and offices in the Learning Center facilities, by arranging for special briefing sessions requiring a classroom setting. Provides access to career planning through the Departmental Career Resources Center which is designed to assist employees affected by reduction-in-force and other organizational and program changes.

Provides guidance to bureaus and offices in establishment of computer assisted instruction (CAI) programs and other alternatives to classroom instruction, offers CAI courses and Learning Lab courses. The Departmental Learning Center, Denver Learning Center, Career Resource Center, and other programs in this activity provide training and development opportunities to approximately 6,000 employees per year.

INFORMATION TECHNOLOGY CENTER (OFFICE OF INFORMATION RESOURCES MANAGEMENT)

This activity provides a comprehensive source of assistance and training for Departmental personnel in the evaluation and application of small computer technology (particularly microcomputers). The services provided include: "hands-on" instruction both on a one-on-one and group basis on microcomputers or terminals; individual consultation on configuration of planned microcomputer systems; technical assistance on both hardware and software; classes and seminars; demonstration and evaluation of new equipment, software, and other peripherals; clearinghouse information on software, hardware, and other peripheral availability; a technical library, and publication of a newsletter concerning how small computer technology is being used in the Department.

The staff directs the entire operation, develops and maintains contact with all bureaus and offices in the Department in order to plan appropriate services and represents the agency in matters dealing with the use of small computer technology. It provides technical assistance in the configuration of proposed systems, and provides information on sources of these products. Also, it provides assistance to users of the Center in the development and implementation of instructional packages on how to use the equipment and software in the Center.

ALASKA LANDS ACT DATA BASE (OFFICE OF INFORMATION RESOURCES MANAGEMENT)

The Alaska Lands Act Data Base is a Departmentally-developed computerized information system containing the legislative history of the Alaska National Interest Lands Conservation Act (ANILCA), P.L. 96-487. [illegible]

Such a system provides [illegible]

PRINTING AND PUBLICATIONS (OFFICE OF ADMINISTRATIVE SERVICES)

The Division of Printing and Publications provides overall management, guidance and assistance to Departmentwide activities in the operation of their printing and related programs, [illegible]

ENFORCEMENT AND SECURITY MANAGEMENT (OFFICE OF ADMINISTRATIVE SERVICES)

This activity coordinates and provides service in support of Departmentwide security and law enforcement programs. [illegible]

Departmental participation/access to National Law Enforcement Tele-communication System.

WCF DIRECTION (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides direction and implementation of policies and directives for the Working Capital Fund.

FISCAL SERVICES (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides the full range of fiscal support services including:

Development of budget estimates for the Office of the Secretary, as well as several independent commissions and offices as assigned and justification in defense of the estimates to the Office of Management and Budget and the Congress.

Establish funding levels, allocate resources and FTEs to various Departmental offices and administer the effective execution of budgets through accounting and disbursement of all funds available to various Departmental offices, independent commissions, and other activities under the cognizance of the Office of the Secretary.

Continue to implement measures associated with the consolidation of various administrative functions throughout the Department in order to provide the highest quality service as economically as possible.

PERSONNEL SERVICES (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides the full range of personnel support services including:

Administers the personnel management program for Secretarial and Other Departmental Offices (excluding the Office of the Solicitor and the Office of the Inspector General), and several independent agencies. Develop, implement, and evaluate personnel management policies, procedures, guides, and standards.

Perform personnel services and provides technical advice and assistance relating to manpower planning and utilization, personnel aspects of organization, position management and classification, work force analysis, labor relations and wage administration, recruitment and placement, employee relations and services, conduct and discipline, reduction-in-force, appeals and grievances, employee motivation and incentives, and employee development.

Provides personnel management advice to the Federal component of the Government of the Trust Territory of the Pacific Islands and the High Court of American Samoa.

Develops and provides manpower information and statistics to management officials for management of their manpower resources.

Prepares and maintains official personnel documents, records and reports including maintenance of official personnel folders for all key officials.

Continues to implement measures associated with the consolidation of various personnel functions in order to improve management effectiveness throughout the Department.

GENERAL SERVICES (OFFICE OF ADMINISTRATIVE SERVICES)

This activity provides administrative, management, and a variety of support services to elements of the Department. Services and serviced areas vary in scope by the type of activity provided. The Division establishes policy directives and guidelines of Departmentwide impact for certain general services, participates in studies and reviews of general services functions within the Department, issues instructional and informational memoranda pertaining to general services, and initiates program modifications/improvements as necessary to meet the changing needs of the Department.

The Division maintains operational liaison with the U.S. Postal Service and the General Services Administration in associated functional areas and coordinates the receipt and dispatch of pertinent international communique with the Department of State.

Specific services provided include, but are not limited to parking, shipping and receiving, control and maintenance of official passports and visas, procurement and contracting, centralized purchasing of certain offices supplies and equipment, property management and accountability, motor vehicle management, office relocation services, logistical support in connection with press conferences, public hearings, and official ceremonies; distribution of publications and other documents from the Government Printing Office, Congress and other agencies, warehouse management, transportation of household goods, maintaining and coordinating use of public areas in the Interior Building, etc. The Division provides for coordination of certain services among bureaus/offices to ensure adequate service levels are maintained.

The Division provides centralized sorting and delivery of incoming mail to bureaus and offices and other occupants of the Main Interior Building and provides metering and dispatch services for outgoing mail. A limited number of daily external mail deliveries to designated locations in the Washington metropolitan area are also provided by the Division.

The consolidation of certain functions will result in greater cost efficiency through volume discount purchases, employee specialization, and better monitoring/review of Departmental policies and procedures initiated within the Office of the Secretary.

SPACE AND FACILITIES MANAGEMENT (OFFICE OF ADMINISTRATIVE SERVICES)

This activity develops and administers the Departmentwide program for acquisition, assignment, and utilization of space in the District of Columbia, fifty states, and territories. It serves as the sole Department liaison with the General Services Administration (GSA) concerning space requirements in the Interior Regional cities and other selected areas. It administers the building management function for all bureaus and offices in the Washington metropolitan area and Secretarial organizations nationwide. It administers the locator service for Departmental employees located in the Washington metropolitan area.

The activity provides to all bureaus and offices of the Department in the Washington D.C. area an improved telecommunication system. The Division will coordinate the development, installation, operation and management of the Department's own telephone system with interconnecting facilities to a General Services Administration (GSA) core network.

It is anticipated that the system will be competitively acquired through a multi-year lease/purchase arrangement. It is estimated that two years will be required to obtain formal GSA approval, develop and implement the plan, define organizational changes, prepare a Request for Proposal, review bids, make a selection, site preparation, installation, and change over to the new system.

The Division coordinates all requests for AT&T telephone credit cards; provides updates to the local and GSA telephone directories for the Department; and assumes responsibility for all data and voice related systems and services.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECERTARY
WORKING CAPITAL FUND
Obligation and Workyear Estimates by Function
(Dollar amounts in thousands)

	1985 ACTUAL		1986 ESTIMATE		1987 ESTIMATE	
DIRECT BILLINGS	FTE	$	FTE	$	FTE	$
MOTOR VEHICLE CREDIT CARDS		10		4		7
PRINT PLANT & COPY CENTERS	30	2,268	32	2,270	32	2,206
POSTAGE....................		919		1,500		1,500
MIS. & LEGISLATIVE PRINT..		1,087		1,000		1,000
PATENT FEES...............		14		12		12
SERVICE CONTRACTS.........		121		179		179
BLANKET PURCHASES.........		42		130		130
AIRCRAFT SERVICES.........	70	46,529	74	46,000	74	46,000
TRANS. & RECEIVING........		103				
CONS.SOFTWARE PROCUREMENT.		14				
ST-DIRECT BILLINGS	100	51,107	106	51,095	106	51,034
CENTRALIZED ADMIN. SERVS.						
DEPT´L BROADCAST CENTER...		17		69		61
EO COMPLAINT INVESTIGATION	14	441	13	504	13	504
MEDICAL & HEALTH SERV.....	7	322	8	372	8	372
DEPT´L HUMAN RES. DEV. CT.	4	530	8	701	8	701
INFORMATION TECHNOLOGY CT.	5	196	5	229	5	219
LIBRARY DATA BASE(ALLEX)..		1		30		30
PRINTING & PUBLICATION....	17	528	17	565	17	577
ENFORCE. & SECURITY MGMT..	2	865	6	839	6	840
WCF DIRECTION.............	2	110	2	110	2	110
FISCAL SERVICES.........1/	26	1,559	28	1,669	43	1,657
PERSONNEL SERVICES......1/	6	1,174	5	1,223	31	1,241
GENERAL SERVICES........1/	33	1,952	41	2,370	66	2,418
SPACE & FACILITIES MGMT...	14	490	19	677	19	694
ST-CENT. ADMIN. SERV......	130	8,185	152	9,358	218	9,424
SPECIAL PROJECTS						
PFM-FIRM STUDY............		988				
ST-SPECIAL PROJECTS.......	0	988	0	0	0	0
RESERVE...................			16		16	
BUDGET OFFICER´S ACCOUNT..		1,639				
TOTAL WORKING CAPITAL FUND	230	61,919	274	60,453	340	60,458

1/ REFLECTS TRANSFER OF 66 FTEs FROM DEPARTMENTAL MANAGEMENT APPROPRIATION IN 1987 BUDGET (26 PERSONNEL, 15 FISCAL AND 25 GENERAL SERVICES).

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1985 ACTUAL
(in thousands of dollars)

	LAND MGMT.	RECLM.	NATL. PARK SERV.	FISH & WILDLIFE SERV.	U.S. GEOLOG. SURVEY	MINERAL MGMT. SERV.	MINES	SURFACE MINING
DIRECT BILLINGS:								
DEPT'L BROADCAST CENTER...								
MOTOR VEHICLE CREDIT CARDS		1.0	1.1	1.6	0.7		0.1	0.1
LIBRARY DATA BASE(ALLEX)..	0.9		6.5	15.9	3.2		4.8	258.7
PRINT PLANT & COPY CENTERS	373.5	137.6	232.2	219.6	47.4	148.5	28.3	157.9
POSTAGE..................	15.4	14.2	27.6	27.0	14.8	10.6	4.5	29.5
MIS. & LEGISLATIVE PRINT..	80.0	61.5	114.0	38.8	60.6	33.8	40.8	7.6
PATENT FEES..............		1.1			2.2		16.2	
SERVICE CONTRACTS.........								
BLANKET PURCHASES.........								
AIRCRAFT SERVICES.........	18,177.0	2,183.0	4,346.0	4,838.0	2,413.0	5,579.0	161.0	359.0
TRANS. & RECEIVING........	92.8	3.4	18.8	5.2	15.5	1.0	0.1	4.2
CONSOL. SOFTWARE PROCURE..			4.9	3.4		3.4		
ST-DIRECT BILLINGS........	18,739.6	2,401.8	4,751.1	5,149.5	2,557.4	5,776.3	255.8	817.0
CENTRALIZED ADMIN. SERVS:								
EO COMPLAINT INVESTIGATION	35.8	28.9	144.7	30.2	29.9	24.1	14.1	4.4
MEDICAL & HEALTH SERV.....	32.4	19.8	29.6	27.2	16.4	5.2	91.5	14.4
DEPT'L HUMAN RES. DEV. CT.	68.9	56.5	67.0	61.0	68.4	21.6	55.1	15.4
INFORMATION TECHNOLOGY CT.	21.8	21.8	37.4	14.3	3.2	16.7	10.7	18.4
PRINTING & PUBLICATION....	34.0	30.5	65.9	41.7	54.7	18.1	22.2	23.3
ENFORCE. & SECURITY MGMT..	24.1	21.8	29.8	29.2	17.9	13.4	6.8	21.2
WCF DIRECTION............	10.0	5.0	10.0	9.0	6.0	2.0	4.0	8.0
FISCAL SERVICES...........	6.8	24.0	9.8	7.7	7.1	16.9	6.4	6.3
PERSONNEL SERVICES........	3.9	6.4	9.3	4.9	6.2	1.6	2.8	2.9
GENERAL SERVICES..........	50.1	45.1	51.8	46.2	42.6	46.8	32.1	31.8
SPACE & FACILITIES MGMT...	34.7	28.3	31.5	28.6	34.3	22.9	12.8	39.3
CONS. MAIL OPERATIONS.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
ST-CENT. ADMIN. SERV......	324.5	290.1	488.8	302.0	288.7	191.3	260.5	187.4
SPECIAL PROJECTS:								
PFM-FIRM STUDY...........	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
TOTAL WORKING CAPITAL FUND	19,164.1	2,791.9	5,339.9	5,551.5	2,946.1	6,067.6	616.3	1,104.4

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1985 ACTUAL
(in thousands of dollars)

	INDIAN AFFAIRS	TERR.	OFFICE OF THE SECRETARY	YOUTH PROGRAMS	INSPECTOR GENERAL	SOLICITOR	INDIAN RESERV. ECONS.	CONSTR. MGMT.
DIRECT BILLINGS:								
DEPT'L BROADCAST CENTER...								
MOTOR VEHICLE CREDIT CARDS	1.0							
LIBRARY DATA BASE(ALLEX)..	2.5		13.4					
PRINT PLANT & COPY CENTERS	151.6	8.4	387.9	14.9	85.0	125.2		2.2
POSTAGE..................	23.0	28.9	318.6	25.9	77.6	265.5		0.8
MIS. & LEGISLATIVE PRINT..	156.5	0.5	67.3	0.1	4.6	25.9		
PATENT FEES..............								
SERVICE CONTRACTS.........			151.2					
BLANKET PURCHASES.........			49.0					
AIRCRAFT SERVICES.........	2,631.0		59.0					
TRANS. & RECEIVING........	4.0		6.3	0.1				
CONSOL. SOFTWARE PROCURE..			259.9					
ST-DIRECT BILLINGS........	2,969.6	37.8	1,312.6	41.0	167.2	416.6	0.0	3.0
CENTRALIZED ADMIN. SERVS:								
EO COMPLAINT INVESTIGATION	99.3		25.0					
MEDICAL & HEALTH SERV.....	52.5	1.6	28.9		4.5	6.5		0.1
DEPT'L HUMAN RES. DEV. CT.	112.7	2.8	16.6	0.4	0.6			0.4
INFORMATION TECHNOLOGY CT.	18.6	1.9	33.9		1.9			
PRINTING & PUBLICATION....	43.7	5.3	194.5	5.5	14.5	16.0	1.0	2.6
ENFORCE. & SECURITY MGMT..	43.6	13.3	219.6	11.0	16.4	16.4		8.7
WCF DIRECTION.............	7.0	4.0	37.0		4.0	4.0		
FISCAL SERVICES...........	14.6	169.1	725.4	4.1	166.1	263.3	5.0	22.4
PERSONNEL SERVICES........	10.9	55.0	950.4	47.9	0.1	29.8	3.3	21.4
GENERAL SERVICES..........	85.3	53.8	1,009.8	75.1	83.3	75.6		30.7
SPACE & FACILITIES MGMT...	42.9	7.9	201.8	11.0	20.9	24.7	3.2	10.6
CONS. MAIL OPERATIONS.....	2.0		1.2					
ST-CENT. ADMIN. SERV......	533.1	314.7	3,444.1	155.0	312.3	436.3	12.5	96.9
SPECIAL PROJECTS:								
PFM-FIRM STUDY............	100.0		51.0	13.0	13.0	13.0		
TOTAL WORKING CAPITAL FUND	3,602.7	352.5	4,807.7	209.0	492.5	865.9	12.5	99.9

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1985 ACTUAL
(in thousands of dollars)

	FINE ARTS	DELAWARE RIV.BAS. COMM.	SUSQUHA. RIV.BAS. COMM.	MICRON. STATUS NEGOT.	ADV.COUN. HIST. PRESERV.	ALASKA LAND USE COUNCIL	OTHER	TOTAL
DIRECT BILLINGS:								
DEPT'L BROADCAST CENTER...								0.0
MOTOR VEHICLE CREDIT CARDS							0.1	5.7
LIBRARY DATA BASE(ALLEX)...								305.9
PRINT PLANT & COPY CENTERS	0.1	0.1	0.1	1.7	2.6		80.2	2,205.0
POSTAGE...................	0.6	0.3	0.8		2.3		267.2	1,152.8
MIS. & LEGISLATIVE PRINT..							6.4	700.7
PATENT FEES...............								19.5
SERVICE CONTRACTS.........								151.2
BLANKET PURCHASES.........								49.0
AIRCRAFT SERVICES.........							3,848.8	44,594.8
TRANS. & RECEIVING........								151.4
CONSOL. SOFTWARE PROCURE..							0.1	271.7
ST-DIRECT BILLINGS........	0.7	0.4	0.9	1.7	4.9	0.0	4,202.8	49,607.7
CENTRALIZED ADMIN. SERVS:								
EO COMPLAINT INVESTIGATION							0.4	436.8
MEDICAL & HEALTH SERV.....								330.6
DEPT'L HUMAN RES. DEV. CT.							1.9	549.3
INFORMATION TECHNOLOGY CT.								200.6
PRINTING & PUBLICATION....				2.6	2.6			578.7
ENFORCE. & SECURITY MGMT..				5.0			2.8	501.0
WCF DIRECTION.............								110.0
FISCAL SERVICES...........	5.9	7.5	7.5	5.1	25.3		21.6	1,527.9
PERSONNEL SERVICES........	2.5	1.8	1.8	0.5	18.3		13.2	1,194.9
GENERAL SERVICES..........	1.5			2.4	2.9		14.2	1,781.1
SPACE & FACILITIES MGMT...		0.1	0.1	6.5	0.5			562.6
CONS. MAIL OPERATIONS.....								19.2
ST-CENT. ADMIN. SERV......	9.9	9.4	9.4	22.1	49.6	0.0	54.1	7,792.7
SPECIAL PROJECTS:								
PFM-FIRM STUDY............								990.0
TOTAL WORKING CAPITAL FUND	10.6	9.8	10.3	23.8	54.5	0.0	4,256.9	58,390.4

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1986 ESTIMATE (REVISED)
(in thousands of dollars)

	LAND MGMT.	RECLM.	NATL. PARK SERV.	FISH & WILDLIFE SERV.	U.S. GEOLOG. SURVEY	MINERAL MGMT. SERV.	MINES	SURFACE MINING
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS		0.6	0.7	1.0	0.4		0.1	0.1
PRINT PLANT & COPY CENTERS	384.5	141.7	239.0	226.1	48.8	152.9	29.1	162.6
POSTAGE..................	20.0	18.5	35.9	35.1	19.3	13.8	5.9	38.4
MIS. & LEGISLATIVE PRINT..	114.2	87.8	162.7	55.4	86.5	48.2	58.2	10.8
PATENT FEES..............		0.7			1.3		10.0	
SERVICE CONTRACTS.........								
BLANKET PURCHASES.........								
AIRCRAFT SERVICES.........	18,749.8	2,251.8	4,482.9	4,990.4	2,489.0	5,754.8	166.1	370.3
ST-DIRECT BILLINGS........	19,268.5	2,501.1	4,921.2	5,308.0	2,645.3	5,969.7	269.4	582.2
CENTRALIZED ADMIN. SERVS:								
DEPT'L BROADCAST CENTER...	2.8	13.1	3.5	6.9		13.1		7.6
EO COMPLAINT INVESTIGATION	51.6	30.3	112.3	63.8	51.6	6.0	18.2	48.6
MEDICAL & HEALTH SERV.....	33.1	20.7	51.9	36.6	18.1	6.7	99.6	12.7
DEPT'L HUMAN RES. DEV. CT.	77.9	98.1	112.8	74.3	107.4	40.7	53.9	20.8
INFORMATION TECHNOLOGY CT.	27.5	27.5	34.4	13.7	2.3	20.6	9.2	22.9
LIBRARY DATA BASE(ALLEX)..	6.9		3.9	5.1	3.3	3.9	0.3	0.3
PRINTING & PUBLICATION....	29.3	29.3	64.6	36.7	54.2	17.0	22.6	22.6
ENFORCE. & SECURITY MGMT..	43.9	34.6	49.8	47.6	22.8	19.8	6.0	37.3
WCF DIRECTION.............	10.0	5.0	10.0	9.0	6.0	2.0	4.0	8.0
FISCAL SERVICES...........	7.5	27.2	7.8	8.0	7.3	37.1	6.8	7.0
PERSONNEL SERVICES........	7.1	2.8	2.8		1.0	1.3	18.6	3.1
GENERAL SERVICES..........	192.1	109.4	115.2	220.3	43.7	49.1	29.7	49.9
SPACE & FACILITIES MGMT...	38.0	34.9	52.3	35.8	38.5	31.2	21.7	43.6
ST-CENT. ADMIN. SERV......	527.7	432.9	621.3	557.8	356.2	248.5	290.6	284.4
TOTAL WORKING CAPITAL FUND	19,796.2	2,934.0	5,542.5	5,865.8	3,001.5	6,218.2	560.0	866.6

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1986 ESTIMATE (REVISED)
(in thousands of dollars)

	INDIAN AFFAIRS	TERR.	OFFICE OF THE SECRETARY	YOUTH PROGRAMS	INSPECTOR GENERAL	SOLICITOR	ALASKA LAND USE COUNCIL	CONSTR. MGMT.
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS	0.6							
PRINT PLANT & COPY CENTERS	156.1	8.6	399.3	15.3	87.5	128.9		2.3
POSTAGE....................	29.9	37.6	414.6	33.7	101.0	345.5		1.0
MIS. & LEGISLATIVE PRINT..	223.3	0.7	96.0	0.1	6.6	37.0		
PATENT FEES................								
SERVICE CONTRACTS..........			179.0					
BLANKET PURCHASES..........			130.0					
AIRCRAFT SERVICES..........	2,713.9		60.9					
ST-DIRECT BILLINGS........	3,123.8	46.9	1,279.8	49.1	195.1	511.4	0.0	3.3
CENTRALIZED ADMIN. SERVS.								
DEPT'L BROADCAST CENTER...	6.2		13.0		1.4	1.4		
EO COMPLAINT INVESTIGATION	97.2		24.4					
MEDICAL & HEALTH SERV.....	34.7	0.1	44.9		5.6	7.3		
DEPT'L HUMAN RES. DEV. CT.	85.2		23.5		3.0	3.4		
INFORMATION TECHNOLOGY CT.	22.9	2.3	41.1		2.3	2.3		
LIBRARY DATA BASE(ALLEX)..	5.7		0.3			0.3		
PRINTING & PUBLICATION....	26.5	5.7	203.3	5.7	19.2	19.9		2.8
ENFORCE. & SECURITY MGMT..	47.7	24.1	398.2	24.2	35.7	29.8		4.3
WCF DIRECTION.............	7.0	4.0	37.0		4.0	4.0		
FISCAL SERVICES...........	12.2	183.1	786.0	4.7	179.8	285.1		24.2
PERSONNEL SERVICES........	10.8	63.8	984.7	62.3		5.4	0.5	15.0
GENERAL SERVICES..........	133.3	56.4	1,088.3	79.0	85.4	81.2		30.2
SPACE & FACILITIES MGMT...	44.1	9.4	242.3	12.3	22.9	33.8		9.4
ST-CENT. ADMIN. SERV......	533.5	348.9	3,887.0	188.2	359.3	473.9	0.5	85.9
TOTAL WORKING CAPITAL FUND	3,657.3	395.8	5,166.8	237.3	554.4	985.3	0.5	89.2

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1986 ESTIMATE (REVISED)
(in thousands of dollars)

	FINE ARTS	DELAWARE RIV.BAS. COMM.	SUSQUHA. RIV.BAS. COMM.	MICRON. STATUS NEGOT.	ADV.COUN. HIST. PRESERV.	COMM. ON STRATEGIC MINREALS	OTHER	TOTAL
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS								3.5
PRINT PLANT & COPY CENTERS	0.1	0.1	0.1	1.8	2.7		82.5	2,270.0
POSTAGE....................	0.8	0.4	1.0				347.6	1,500.0
MIS. & LEGISLATIVE PRINT..					3.3		9.2	1,000.0
PATENT FEES...............								12.0
SERVICE CONTRACTS.........								179.0
BLANKET PURCHASES.........								130.0
AIRCRAFT SERVICES.........							3,970.1	46,000.0
ST-DIRECT BILLINGS........	0.9	0.5	1.1	1.8	6.0	0.0	4,409.4	51,094.5
CENTRALIZED ADMIN. SERVS:								
DEPT'L BROADCAST CENTER...								69.0
EO COMPLAINT INVESTIGATION								504.0
MEDICAL & HEALTH SERV.....								372.0
DEPT'L HUMAN RES. DEV. CT.								701.0
INFORMATION TECHNOLOGY CT.								229.0
LIBRARY DATA BASE(ALLEX)..								30.0
PRINTING & PUBLICATION....				2.8	2.8			565.0
ENFORCE. & SECURITY MGMT..				9.1			4.1	839.0
WCF DIRECTION.............								110.0
FISCAL SERVICES...........	6.3	8.0	8.0	5.5	27.4	5.3	24.7	1,669.0
PERSONNEL SERVICES........	2.4	1.8	1.8		17.5		20.3	1,223.0
GENERAL SERVICES..........	1.5			2.4	2.9			2,370.0
SPACE & FACILITIES MGMT...		0.2	0.2	5.9	0.5			677.0
ST-CENT. ADMIN. SERV......	10.2	10.0	10.0	25.7	51.1	5.3	49.1	9,358.0
TOTAL WORKING CAPITAL FUND	11.1	10.5	11.1	27.5	57.1	5.3	4,458.5	60,452.5

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1987 ESTIMATE
(in thousands of dollars)

	LAND MGMT.	RECLM.	NATL. PARK SERV.	FISH & WILDLIFE SERV.	U.S. GEOLOG. SURVEY	MINERAL MGMT. SERV.	MINES	SURFACE MINING
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS		1.2	1.4	2.0	0.9		0.1	0.1
PRINT PLANT & COPY CENTERS	373.7	137.7	232.3	219.7	47.4	148.6	28.3	158.0
POSTAGE....................	20.0	18.5	35.9	35.1	19.3	13.8	5.9	33.4
MIS. & LEGISLATIVE PRINT..	114.2	87.8	162.7	55.4	86.5	48.2	58.2	10.8
PATENT FEES..............		0.7			1.3		10.0	
SERVICE CONTRACTS.........								
BLANKET PURCHASES.........								
AIRCRAFT SERVICES.........	18,749.8	2,251.8	4,482.9	4,990.4	2,489.0	5,754.8	166.1	370.3
ST-DIRECT BILLINGS........	19,257.7	2,497.7	4,915.2	5,302.6	2,644.4	5,965.4	268.6	577.6
CENTRALIZED ADMIN. SERVS:								
DEPT'L BROADCAST CENTER...	2.4	11.6	3.1	6.1		11.6		6.7
EO COMPLAINT INVESTIGATION	51.6	30.3	112.3	63.8	51.6	6.0	18.2	48.6
MEDICAL & HEALTH SERV.....	33.1	20.7	51.9	36.6	19.1	6.7	99.6	12.7
DEPT'L HUMAN RES. DEV. CT.	76.9	95.7	115.2	68.1	108.8	39.7	56.7	19.4
INFORMATION TECHNOLOGY CT.	26.3	26.3	32.9	13.1	2.2	19.7	8.8	21.9
LIBRARY DATA BASE(ALLEX)..	6.9		3.9	5.1	3.3	3.9	0.3	0.3
PRINTING & PUBLICATION....	29.9	29.9	66.0	37.5	55.4	17.3	23.1	23.1
ENFORCE. & SECURITY MGMT..	43.9	34.6	49.8	47.6	22.8	19.6	6.0	37.4
WCF DIRECTION.............	10.0	5.0	10.0	9.0	6.0	2.0	4.0	8.0
FISCAL SERVICES...........	7.5	27.0	7.8	8.0	7.3	36.3	6.8	7.0
PERSONNEL SERVICES........	7.2	2.9	2.9		1.0	1.4	2.9	3.1
GENERAL SERVICES..........	196.7	112.0	117.8	225.7	44.5	50.1	30.2	50.9
SPACE & FACILITIES MGMT...	50.7	35.4	86.0	51.4	14.9	19.5	53.2	48.9
ST-CENT. ADMIN. SERV......	543.1	431.4	659.6	572.0	335.9	234.5	309.8	288.0
TOTAL WORKING CAPITAL FUND	19,800.8	2,929.1	5,574.8	5,874.6	2,980.3	6,199.9	578.4	865.6

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1987 ESTIMATE
(in thousands of dollars)

	INDIAN AFFAIRS	TERR.	OFFICE OF THE SECRETARY	YOUTH PROGRAMS	INSPECTOR GENERAL	SOLICITOR	ALASKA LAND USE COUNCIL	CONSTR. MGMT.
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS	1.2							
PRINT PLANT & COPY CENTERS	151.7	8.4	388.1	14.9	85.0	125.3		2.2
POSTAGE....................	29.9	37.6	414.6	33.7	101.0	345.5		1.0
MIS. & LEGISLATIVE PRINT..	223.3	0.7	96.0	0.1	6.6	37.0		
PATENT FEES................								
SERVICE CONTRACTS..........			179.0					
BLANKET PURCHASES..........			130.0					
AIRCRAFT SERVICES..........	2,713.9		60.9					
ST-DIRECT BILLINGS.........	3,120.0	46.7	1,268.6	48.7	192.6	507.8	0.0	3.2
CENTRALIZED ADMIN. SERVS:								
DEPT'L BROADCAST CENTER...	5.5		11.6		1.2	1.2		
EO COMPLAINT INVESTIGATION	97.2		24.4					
MEDICAL & HEALTH SERV.....	34.7	0.1	44.9		5.6	7.3		
DEPT'L HUMAN RES. DEV. CT.	82.9		24.6	3.3	6.3	3.4		
INFORMATION TECHNOLOGY CT.	21.9	2.2	39.3		2.2	2.2		
LIBRARY DATA BASE(ALLEX)..	5.7		0.3			0.3		
PRINTING & PUBLICATION....	27.1	5.8	207.7	5.8	19.6	20.4		2.8
ENFORCE. & SECURITY MGMT..	47.7	24.1	399.0	24.2	35.7	29.8		4.3
WCF DIRECTION..............	7.0	4.0	37.0		4.0	4.0		
FISCAL SERVICES............	12.1	181.8	780.0	4.6	178.5	283.0		24.0
PERSONNEL SERVICES.........	10.9	64.8	1,014.8	63.2		5.5	0.5	15.3
GENERAL SERVICES...........	136.4	57.4	1,108.8	80.4	86.9	82.7		30.7
SPACE & FACILITIES MGMT...	45.5	7.0	204.5	11.3	17.5	30.6		10.0
ST-CENT. ADMIN. SERV.......	534.6	347.2	3,896.9	192.8	357.5	470.4	0.5	87.1
TOTAL WORKING CAPITAL FUND	3,654.6	393.9	5,165.5	241.5	550.1	978.2	0.5	90.3

WORKING CAPITAL FUND
REVENUE BY BUREAU AND FUNCTION
FY 1987 ESTIMATE
(in thousands of dollars)

	FINE ARTS	DELAWARE RIV.BAS. COMM.	SUSQUEHA. RIV.BAS. COMM.	[illegible] STATUS [illegible]	ADV.COUN. HIST. PRESERV.	COMM. ON STRATEGIC MINERALS	OTHER	TOTAL
DIRECT BILLINGS:								
MOTOR VEHICLE CREDIT CARDS							0.2	7.0
PRINT PLANT & COPY CENTERS	0.1	0.1	0.1	1.7	2.6		80.1	2,206.0
POSTAGE	0.8	0.4	1.0				347.6	1,500.0
[illegible] & LIQUIDATION/PRINT					1.3		9.2	1,000.0
PATENT FEES								12.0
SERVICE CONTRACTS								174.0
[illegible] PURCHASES								150.0
AIRCRAFT SERVICES							1,070.1	44,000.0
ST-DIRECT BILLINGS	0.8	0.5	1.1	1.7	3.9	0.0	4,407.2	52,356.0
CENTRALIZED ADMIN. SERVS:								
DEPT'L MANAGEMENT CONTROL								62.0
[illegible]								706.0
MEDICAL & HEALTH SERV.								875.0
DEPT'L HUMAN RES. DEV. CT.								700.0
INFORMATION TECHNOLOGY CT.								226.0
LIBRARY DATA [illegible]								100.0
PRINTING & PUBLICATION				2.0	2.6			527.0
PROPERTY & SECURITY MGMT				0.2			4.2	940.0
ADP SERVICES								220.0
FISCAL SERVICES	0.1	0.2	0.6	1.1	27.2	1.2	24.3	3,057.0
PERSONNEL SERVICES	0.2	1.8	1.4		17.7		20.6	1,700.0
GENERAL SERVICES	1.3			1.6	2.4			2,028.0
SPACE & FACILITIES MGMT		0.1	0.2	0.7	0.3			896.0
ST-CENT. ADMIN. SERVS.	15.2	15.1	10.1	20.6	50.2	1.3	68.2	9,696.0
TOTAL WORKING CAPITAL FUND	11.3	15.6	12.2	26.3	57.8	1.3	4,476.3	65,476.0

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]
[illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible] [illegible]

STATEMENT OF FINANCIAL CONDITION

Page 1 of 2

As Of December 31

ASSETS

[illegible]

TOTAL ASSETS

Standard Form 220
Revised 1979
1 TFRM 2-4100

STATEMENT OF FINANCIAL CONDITION

Page 2 of 2

As Of September 30, 1981

IAR NO 1178 TO XX

LIABILITIES		
SELECTED CURRENT LIABILITIES		
12. Accounts payable (including funded accrued liabilities)		
a. Government agencies	1,939,181.89	
b. The Public	7,[illegible].86	
c. Funded Accrued Annual Leave	607,474.15	9,[illegible]
13. Advances from		
a. Government agencies		
b. The Public		
14. Deposit Fund Liabilities		
15. Other current liabilities		
a.		
b.		
16. TOTAL SELECTED CURRENT LIABILITIES		9,[illegible]
17. Unfunded liabilities		
a. Accrued annual leave		
b.		
c.		
18. Debt issued under borrowing authority		
a. Borrowings from Treasury		
b. Agency securities outstanding		
(1) Participation certificates		
(2) Other		
c.		
d.		
19. Other liabilities		
a. Deferred Maintenance Reserve Liability	1,412,[illegible]	
b.		1,412,[illegible]
20. TOTAL LIABILITIES		[illegible]
GOVERNMENT EQUITY		
21. Unexpended budget authority		
a. Unobligated	-0-	
b. Undelivered orders	3,[illegible]	3,[illegible]
22. Unfinanced budget authority (–)		
a. Unfilled customer orders	(4,283,137.82)	
b. Contract authority		
c. Borrowing authority		(4,283,137.82)
23. Invested capital		[illegible]
24. Other equity		
a. Receipt account equity		
b. Unappropriated receipts (–)		
c. Foreign currency fund equity		
d. Miscellaneous equity		
25. TOTAL GOVERNMENT EQUITY		[illegible]
26. TOTAL LIABILITIES AND GOVERNMENT EQUITY		17,[illegible]

AGENCY CONTACT	Preparer's Name Robert A. Macellaro	Telephone Number 343-3481
	Address 18th & C Streets, N.W., Washington, DC 20240	
	Supervisor's Signature T. L. Gettert	Telephone Number 343-5027

Standard Form 221
March 1983
1 TFRM 2-4100

STATEMENT OF INCOME AND RETAINED EARNINGS

October 1, 1984 Through September 30, 1985

(Prepared only by business-type enterprises)

IAR NO 1150 TD AN

Account Symbol 14X4529	Bureau or Fund Name Department of the Interior, Office of the Secretary, Working Capital Fund	Bureau Identification No. 14-01

Section I.—INCOME AND EXPENSE

INCOME:		
1. Sales of goods	4,284,114.99	
2. Sales of services	55,878,147.51	
3. Insurance and guarantee premiums		
4. Interest income		
5. Other income	103,313.97	
6. TOTAL INCOME		60,267,576.67
EXPENSE:		
7. Cost of goods sold		42,722,431.84
8. *Interest expense*		
a. Treasury borrowings		
b. Federal securities		
c. Prompt Payment Act Interest	1,463.48	1,463.48
9. *Other expenses*		
a. Administrative	14,918,567.34	
b. Depreciation	147,299.40	
c. Operating		
d. Other Expenses	379,866.85	
		15,445,733.59
10. TOTAL EXPENSE		58,170,021.11
11. INCOME OR EXPENSES (−) Before Extraordinary Items		2,097,555.56
12. *Extraordinary Income and Expense (−)*		
a. Gain or Loss (−) on disposition of assets		
b.		
c.		
13. NET INCOME OR EXPENSE (−) Before Distribution		2,097,555.56

Section II.—ANALYSIS OF CHANGE IN RETAINED EARNINGS

14. Opening balance	-794,372.07
15. Net income or expense (line 13)	2,097,555.56
16. *Adjustments for prior periods*	
a.	
b.	
17. *Distribution of income*	
a. Dividends	
b.	
c.	
18. Closing balance	1,303,183.49

AGENCY CONTACT	Preparer's Name Robert A. Macallister	Telephone Number 343-5441
	Address 18th & C Streets, N.W., Washington, DC 20240	
	Supervisor's Signature T. L. Garrett	Telephone Number 343-3027

NSN 7540-00-634-4048
PREVIOUS EDITION USABLE

221-106

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WORKING CAPITAL FUND

Program and Financing (in thousand of dollars)

Identification code 14-4523-0-4-306	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Operating expenses: Sales program:			
(a) Goods and services sold.........	15,390	14,453	14,458
(b) Aircraft services...............	46,529	46,000	46,000
10.00 Total obligations..............	61,919	60,453	60,458
Financing:			
11.00 Offsetting collections from Federal funds.................	-57,472	-60,453	-60,458
21.98 Unobligated balance available, start of year: Fund balance..................	-4,447		
24.98 Unobligated balance available, end of year: Fund balance..................			
39.00 Budget authority..............	0	0	0
Relation of obligations to outlays:			
71.00 Obligations incurred, net.....	4,447		
72.98 Obligated balance, start of year: Fund balance.......	-548	3,179	3,179
74.98 Obligated balance, end of year: Fund balance.......	-3,179	-3,179	-3,179
90.00 Outlays........................	720	0	0

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WORKING CAPITAL FUND

Object Classification (in thousands of dollars)

Identification code 14-4523-0-4-306		1985 Actual	1986 Estimate	1987 Estimate
Reimbursable obligations:				
Personnel compensation:				
11.1	Full-time permanent	7,739	8,652	8,683
11.3	Other than full-time permanent	473	519	526
11.5	Other personnel compensation	287	321	325
11.8	Special personnel services payments	32	38	38
11.9	Total personnel compensation	8,531	9,530	9,572
12.1	Personnel benefits: Civilian	1,126	1,234	1,227
21.0	Travel and transportation of persons	473	537	532
22.0	Transportation of things	93	70	70
23.3	Communications, utilities, and miscellaneous charges	1,269	1,971	1,965
24.0	Printing and reproduction	1,258	1,447	1,443
25.0	Other services	46,083	41,066	41,168
26.0	Supplies and materials	2,535	3,380	3,381
31.0	Equipment	551	1,218	1,100
99.9	Total obligations	61,919	60,453	60,458

Personnel Summary

Identification code 14-4523-0-4-306	1985 Actual	1986 Estimate	1987 Estimate
Total number of full-time permanent positions	226	254	320
Total compensable workyears:			
Full-time equivalent employment	230	274	340
Full-time equivalent of overtime and holiday hours	8	8	8
Average GS grade	10.57	10.56	10.57
Average GS salary	32,986	33,215	33,485
Average salary of ungraded position	26,976	27,047	27,077

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OPERATION AND MAINTENANCE OF QUARTERS

Program and Financing (in thousands of dollars)

Identification code 14-5052-0-2-306	1985 Actual	1986 Est.	1987 Est.
Program by activities:			
00.01 Inspector general	9	51	52
00.02 Youth programs	0	30	17
10.00 Total obligations	9	81	69
Financing:			
21.40 Unobligated balance available, start of year (-)	0	-5	-10
24.40 Unobligated balance available, end of year	5	10	8
60.00 Budget authority (appropriation) (permanent, indefinite)	14	86	67
Relation of obligations to outlays:			
71.00 Obligations incurred, net	9	81	69
72.40 Obligated balance, start of year	0	3	4
73.00 Obligated balance, transferred net	0	0	0
74.40 Obligated balance, end of year (-)	-3	-4	-7
90.00 Outlays	6	80	66
Distribution of outlays by account:			
Inspector General	6	52	49
Youth Programs	0	28	17

These activities provide for the utilizing of receipts from the rental of on-site quarters and for the operation and maintenance of those quarters as authorized in section 320 of P.L. 98-473

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
OPERATION AND MAINTENANCE OF QUARTERS

Object classification (in thousands of dollars)

Identification code 14-5052-0-2-306		1985 Actual	1986 Est.	1987 Est.
	Personnel compensation:			
11.1	Full-time permanent...........	0	21	22
11.9	Total personnel compensation.	0	21	22
12.0	Personnel benefits: Civilian....	0	3	3
25.00	Other services..................	9	9	9
26.00	Supplies and materials..........	0	34	25
31.00	Equipment.......................	0	14	10
99.90	Total obligations..........	9	81	69

Personnel Summary

Identification code 14-5052-0-2-306	1985 Actual	1986 Est.	1987 Est.
Total number of full-time permanent positions............................		1	1
Total compensable workyears:			
Full-time equivalent employment......		1	1
Average GS grade........................		10.36	10.36
Average GS salary.......................		34,500	34,500

Note: Workyear reflected above is in the Office of the
Inspector General.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
MISCELLANEOUS EXPIRING APPROPRIATIONS

Program and Financing (in thousands of dollars)

Identification code 14-9911-0-1-300	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
10.00 Total obligations	495	--	--
Financing:			
17.00 Recovery of prior year obligations	-9	--	--
21.40 Unobligated balance available, start of year	-459	-271	-271
24.40 Unobligated balance available, end of year	271	271	272
Unobligated balance lapsing	-6	--	--
39.00 Budget authority	--	--	--
Relation of obligations to outlays:			
71.00 Obligations incurred, net	203	--	--
72.40 Obligated balance, start of year	262	362	62
74.40 Obligated balance, end of year	-362	-62	-62
78.00 Adjustments in unexpired accounts	--	--	--
90.00 Outlays	95	300	--
Distribution of outlays by accounts			
Office of water policy	85	300	--
Youth conservation corps	10	--	--

Note: Amounts for 1985, reflect the spend-out of available funds for issues related to Water Policy and for close-out of the Youth Conservation Corps Program under the Office of the Secretary.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
MISCELLANEOUS EXPIRING APPROPRIATIONS

Object Classification (in thousands of dollars)

Identification code 14-9911-0-1-300		1985 Actual	1986 Estimate	1987 Estimate
Personnel compensation:				
24.0	Printing and reproduction	3	--	--
25.0	Other services	198	--	--
26.0	Supplies and materials	2	--	--
99.9	Total obligations	203	--	--

NATIVE HAWAIIANS STUDY COMMISSION
SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 48-0700-0-1-806	1985 Actual	1986 Estimate	1987 Estimate
Program by activities:			
Financing:			
21.40 Unobligated balance available, start of year ..	-1	--	--
25.00 Unobligated balance available, end of year	1	--	--
40.00 Budget authority (appropriation)	--	--	--
Relation of obligations to outlays:			
71.00 Obligations incurred, net ...	--	--	--
72.40 Obligated balance, start of year	2	--	--
77.00 Adjustments in expired accounts	-2	--	--
90.00 Outlays	--	--	--

In 1983 the Native Hawaiians Study Commission completed its study and issued its report on native Hawaiian culture, needs, and concerns as mandated by Public Law 96-565. Amounts reflected above represent the closeout of this program in 1985.

GENERAL PROVISIONS, DEPARTMENT OF THE INTERIOR

SEC. 101. Appropriations made in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 102. The Secretary may authorize the expenditure or transfer of any no year appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior; for the emergency rehabilitation of burned-over lands under its jurisdiction; for emergency actions related to potential or actual earthquakes, floods or volcanoes; for emergency reclamation projects under section 410 of Public Law 95-87; and shall transfer, from any no year funds available to the Office of Surface Mining Reclamation and Enforcement, such funds as may be necessary to permit assumption of regulatory authority in the event a primacy State is not carrying out the regulatory provisions of the Surface Mining Act: *Provided*, That appropriations made in this title for fire suppression purposes shall be available for the payment of obligations incurred during the preceding fiscal year, and for reimbursement to other Federal agencies for destruction of vehicles, aircraft, or other equipment in connection with their use for fire suppression purposes, such reimbursement to be credited to appropriations currently available at the time of receipt thereof[: *Provided further*, That funds transferred pursuant to this section must be replenished by a supplemental appropriation which must be requested as promptly as possible].

SEC. 103. Appropriations made in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by sections 1535 and 1536 of title 31, U.S.C.: *Provided*, That reimbursements for costs and supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 104. Appropriations made to the Department of the Interior in this title shall be available for services as authorized by 5 U.S.C. 3109, when authorized by the Secretary, in total amount not to exceed $300,000; hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchase of reprints; payment for telephone service in private residences in the field, when authorized under regulations approved by the Secretary; [and] the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members[: *Provided*, That no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce] [redacted] *and such amounts as may be necessary shall be available to compensate private debt collection agencies under contract with the Secretary as provided for in the Debt Collection Act of 1982, as amended by Public Law 98-167.*

Sec. 105. Appropriations available to the Department of the Interior for salaries and expenses shall be available for uniforms or allowances therefor, as authorized by law (5 U.S.C. 5901-5902 and D.C. Code 4-204).

Sec. 106. Appropriations made in this title shall be available for obligation in connection with contracts issued by the General Services Administration for services or rentals for periods not in excess of twelve months beginning at any time during the fiscal year.

[Sec. 107. No funds provided in this title may be expended by the Department of the Interior for the preparation for, or conduct of, preleasing and leasing activities (including but not limited to: calls for information, tract selection, notices of sale, receipt of bids and award of leases) of lands within:

(a) An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Atlantic Ocean, bounded by the following line: from the intersection of the seaward limit of the Commonwealth of Massachusetts territorial sea and the 71 degree west longitude line south along that longitude line to its intersection with the line which passes between blocks 598 and 642 on Outer Continental Shelf protraction diagram NK 19-10; then along that line in an easterly direction to its intersection with the line between blocks 600 and 601 of protraction diagram NK 19-11; then in a northerly direction along that line to the intersection with the 60 meter isobath between blocks 294 and 295 of protraction diagram NK 19-11; then along the 60 meter isobath, starting in a roughly southeasterly direction, then turning northeast and north until such isobath intersects the maritime boundary between Canada and the United States of America; then north northeasterly along this boundary until this line intersects the 60 meter isobath at the northern edge of block 511 of protraction diagram NK 19-6; then along a line that lies between blocks 511 and 467 of protraction diagram NK 19-6 in a westerly direction to the first point of intersection with the seaward limit of the Commonwealth of Massachusetts territorial sea; then southwesterly along the seaward limit of the territorial sea to the point of beginning at the intersection of the seaward limit of the territorial sea and the 71 degree west longitude line.

(b) The following blocks are excluded from the described area: In protraction diagram NK 19-10, blocks numbered 474 through 479, 518 through 522, 560 through 568, and 602 through 612; in protraction diagram NK 19-6, blocks numbered 969 through 971; in protraction diagram NK 19-3, blocks numbered 1005 through 1007; and in protraction diagram NK 19-9, blocks numbered 37 through 40, 79 through 84, 124 through 127, and 168 through 169.

(c) The following blocks are included in the described area: In protraction diagram NK 19-11, blocks numbered 633 through 640, 677 through 685, 721 through 724, 763 through 767, 808 through 810, and 852; in protraction diagram NK 19-9, blocks numbered 106, 150, 194, 238, 239, and 282; and in protraction diagram NK 19-6, blocks numbered 814, 899, 925, 943, 944, and 987.

(d) Blocks in and at the head of submarine canyons: An area of the Outer Continental Shelf, as defined in section 2(a) of the Outer Continental Shelf Lands Act (43 U.S.C. 1331(a)) located in the Atlantic Ocean off the coastline of the Commonwealth of Massachusetts, lying at the head of, or within the submarine canyons known as Atlantis Canyon, Veatch Canyon, Hydrographer Canyon, Welker Canyon, Oceanographer Canyon, Gilbert Canyon, Lydonia Canyon, Alvin Canyon, Powell Canyon, and Munson Canyon, and consisting of the following blocks, respectively:

(1) On Outer Continental Shelf protraction diagram [illegible] blocks [illegible]

(2) On Outer Continental Shelf protraction diagram [illegible] blocks [illegible]

(3) On Outer Continental Shelf protraction diagram [illegible] blocks [illegible]

(4) On Outer Continental Shelf protraction diagram [illegible] blocks [illegible]

(5) On Outer Continental Shelf protraction diagram [illegible] blocks [illegible]

(e) Nothing in this section shall prohibit the lease of the portion of any blocks described in subsection [illegible] above which lies outside the geographical boundaries of the [illegible] and [illegible] described in subsection [illegible] above: *Provided*, That for purposes of this subsection, the geographical boundaries of the [illegible] shall be those recognized by the National Oceanographic and Atmospheric Administration, Department of Commerce, as the date of enactment of this Act.

(f) Nothing in this section shall prohibit the Secretary of the Interior from granting contracts for scientific study, the results of which could be used in making future leasing decisions in the planning area and in preparing environmental impact statements as required by the National Environmental Policy Act.

(g) References made to blocks, protraction diagrams, and [illegible] herein are to such blocks, protraction diagrams, and [illegible] as they appear on the map entitled Outer Continental Shelf of the North Atlantic from [illegible] North Latitude [illegible], prepared by the United States Department of the Interior, Minerals Management Service, Atlantic OCS Region.]

Sec. [106] 107. None of the funds appropriated or otherwise made available pursuant to this Act shall be obligated or expended to finance changing the name of the mountain located [illegible] degrees, [illegible] minutes, [illegible] seconds west, presently named and referred to as Mount McKinley.

Sec. [107] 108. Notwithstanding any other provision of law, appropriations in this title shall be available to provide insurance on official motor vehicles, aircraft, and boats operated by the Department of the Interior in Canada and Mexico.

[Sec. 110. No funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations.]

[Sec. 111. The Secretary of the Interior is hereby directed to make every effort during the balance of fiscal year 1986 to resolve the outstanding conflicts with respect to the future leasing and protection of lands on the California outer continental shelf for oil and gas exploration and development. To this end, the Secretary shall submit to the Congress once every 30 days following the date of enactment of this Act until the end of fiscal year 1986 a report summarizing the progress of negotiations carried out to resolve these outstanding conflicts. Such negotiations shall be conducted by the Secretary and the following Members of Congress to be designated by the Speaker of the House of Representatives and the Majority Leader of the Senate

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

GENERAL PROVISIONS. DEPARTMENT OF THE INTERIOR

SEC. 201. Appropriations in this title shall be available for expenditure or transfer (within each bureau or office), with the approval of the Secretary, for the emergency reconstruction, replacement, or repair of aircraft, buildings, utilities, or other facilities or equipment damaged or destroyed by fire, flood, storm, or other unavoidable causes: *Provided*, That no funds shall be made available under this authority until funds specifically made available to the Department of the Interior for emergencies shall have been exhausted.

SEC. 202. The Secretary may authorize the expenditure or transfer (within each bureau or office) of any appropriation in this title, in addition to the amounts included in the budget programs of the several agencies, for the suppression or emergency prevention of forest or range fires on or threatening lands under jurisdiction of the Department of the Interior.

SEC. 203 Appropriations in this title shall be available for operation of warehouses, garages, shops, and similar facilities, wherever consolidation of activities will contribute to efficiency, or economy, and said appropriations shall be reimbursed for services rendered to any other activity in the same manner as authorized by the Act of June 30, 1932 (31 U.S.C. 1535 and 1536) *Provided*, That reimbursements for costs of supplies, materials, equipment, and for services rendered may be credited to the appropriation current at the time such reimbursements are received.

SEC. 204. Appropriations in this title shall be available for hire, maintenance, and operation of aircraft; hire of passenger motor vehicles; purchases of reprints; payment for telephone services in private residences in the field, when authorized under regulations approved by the Secretary; and the payment of dues, when authorized by the Secretary, for library membership in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members.

[SEC. 205. (a) Within 30 days after enactment of this Act, there shall be established in the Treasury of the United States a working capital fund to assist in the management of certain support activities of the Bureau of Reclamation (hereafter referred to as the "Bureau"), Department of the Interior. The fund shall be available without fiscal year limitation for expenses necessary for furnishing materials, supplies, equipment, work, and services in support of Bureau programs, and, as authorized by law, to agencies of the Federal Government and others. Such expenses may include the acquisition, replacement, and operation of a central computer and related automatic data processing equipment; engineering services; payroll and other management services; acquisition and replacement of equipment and facilities, including the purchase, lease, or rent of motor vehicles and aircraft within any limitations set forth in appropriations made to carry out the functions of the Bureau and such other activities as may be approved by the Director, Office of Management and Budget.]

[(b) The fund shall be credited with appropriations made for the purpose of providing or increasing capital. There are authorized to be transferred to the fund (at fair and reasonable values at the time of transfer) the inventories, equipment, receivables, and other assets, less the liabilities, related to the functions to be financed by the fund as determined by the Secretary of the Interior.]

[(c) The fund shall be credited with appropriations and other funds of the Bureau, and other agencies of the Department of the Interior, other Federal agencies, and other sources, for providing materials, supplies, equipment, work, and services as authorized by law. Such payments may be made in advance or upon performance.]

[(d) Charges to users will be at rates approximately equal to the costs of furnishing the materials, supplies, equipment, facilities, and services (including such items as depreciation of equipment and accrued annual leave).]

[(e) There are hereby authorized to be appropriated such sums as are necessary to carry out the purposes of this section.]

[(f) Funds that are not necessary to carry out the activities to be financed by the fund, as determined by the Secretary, shall be covered into miscellaneous receipts of the Treasury.] (*Public Law 99-141, making appropriations for energy and water development, 1986*).

TITLE III—GENERAL PROVISIONS

Sec. 301. The expenditure of any appropriation under this Act for any consulting service through procurement contract, pursuant to 5 U.S.C. 3109, shall be limited to those contracts where such expenditures are a matter of public record and available for public inspection, except where otherwise provided under existing law, or under existing Executive Order issued pursuant to existing law.

Sec. 302. No part of any appropriation under this Act shall be available to the Secretaries of the Interior and Agriculture for use for any sale hereafter made of unprocessed timber from Federal lands west of the 100th meridian in the contiguous 48 States which will be exported from the United States, or which will be used as a substitute for timber from private lands which is exported by the purchaser: *Provided*, That this limitation shall not apply to specific quantities of grades and species of timber which said Secretaries determine are surplus to domestic lumber and plywood manufacturing needs.

[Sec. 303 No part of any appropriation under this Act shall be available to the Secretary of the Interior or the Secretary of Agriculture for the leasing of oil and natural gas by noncompetition bidding on publicly owned lands within the boundaries of the Shawnee National Forest, Illinois: *Provided*, That nothing herein is intended to inhibit or otherwise affect the sale, lease, or right to access to minerals owned by private individuals.]

Sec. [304] *303*. No part of any appropriation contained in this Act shall be available for any activity or the publication or distribution of literature that in any way tends to promote public support or opposition to any legislative proposal on which congressional action is not complete.

Sec. [305] *304*. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

Sec. [306] *305*. None of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

Sec. [307] *306*. Except for lands described by sections 105 and 106 of Public Law 96-560, section 103 of Public Law 96-550, section 5(d)(1) of Public Law 96-312, and except for land in the States of Alaska, and lands in the national forest system released to management for any use the Secretary of Agriculture deems appropriate through the land management planning process by any statement or other Act of Congress designating components of the National Wilderness Preservation System now in effect or hereinafter enacted, and except to carry out the obligations and responsibilities of the Secretary of the Interior under section 17(k)(1) (A) and (B) of the Mineral Leasing Act of 1920 (30 U.S.C. 226), none of the funds provided in this Act shall be obligated for any aspect of the processing or issuance of permits or leases pertaining to exploration for or development of coal, oil, gas, oil shale, phosphate, potassium, sulphur, gilsonite, or geothermal resources on Federal lands within any component of the National Wilderness Preservation System or within any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning in Executive Communication 1504, Ninety-sixth Congress (House Document numbered 96-119); or within any lands designated by Congress as wilderness study areas or within Bureau of Land Management wilderness study areas: *Provided*, That nothing in this section shall prohibit the expenditure of funds for any aspect of the processing or issuance of permits pertaining to exploration for or development of the mineral resources described in this section, within any component of the National Wilderness Preservation System now in effect or hereinafter enacted, any Forest Service RARE II areas recommended for wilderness designation or allocated to further planning, within any lands designated by Congress as wilderness study areas, or Bureau of Land Management wilderness study areas, under valid existing rights, or leases validly issued in accordance with all applicable Federal, State, and local laws or valid mineral rights in existence prior to October 1, 1982: *Provided further*, That funds provided in this Act may be used by the Secretary of Agriculture in any area of National Forest lands or the Secretary of the Interior to issue under their existing authority in any area of National Forest or public lands withdrawn pursuant to this Act such permits as may be necessary to conduct prospecting, seismic surveys, and core sampling conducted by helicopter or other means not requiring construction of roads or improvement of existing roads or ways, for the purpose of gathering information about and inventorying energy, mineral, and other resource values of such area, if such activity is carried out in a manner compatible with the preservation of the wilderness environment: *Provided further*, That seismic activities involving the use of explosives shall not be permitted in designated wilderness areas: *Provided further*, That funds provided in this Act may be used by the Secretary of the Interior to augment recurring surveys of the mineral values of wilderness areas pursuant to section 4(d)(2) of the Wilderness Act and acquire information on other national forest and public land areas withdrawn pursuant to this Act, by conducting in conjunction with the Secretary of Energy, the National Laboratories, or other Federal agencies, as appropriate, such mineral inventories of areas withdrawn pursuant to this Act as he deems appropriate. These inventories shall be conducted in a manner compatible with the preservation of the wilderness environment through the use of methods including core sampling conducted by helicopter; geophysical techniques such as induced polarization, synthetic aperture radar, magnetic and gravity surveys; geochemical techniques including stream sediment reconnaissance and x-ray diffraction analysis; land satellites; or any other methods he deems appropriate. The Secretary of the Interior is hereby authorized to conduct inventories or segments of inventories, such as data analysis activities, by contract with private entities deemed by him to be qualified to engage in such activities whenever he has determined that such contracts would decrease Federal expenditures and would produce comparable or superior results: *Provided further*, That in carrying out any such inventory or surveys, where National Forest System lands are involved, the Secretary of the Interior shall consult with the Secretary of Agriculture concerning any activities affecting surface resources: *Provided further*, That funds provided in this Act may be used by the Secretary of the Interior to issue oil and gas leases for the subsurface of any lands designated by Congress as wilderness study areas, that are immediately adjacent to producing oil and gas fields or areas that are prospectively valuable. Such leases shall allow no surface occupancy and may be entered only by directional drilling from outside the wilderness study area or other nonsurface disturbing methods.

Sec. [308] *307.* None of the funds provided in this Act shall be used to evaluate, consider, process, or award oil, gas, or geothermal leases on Federal lands in the Mount Baker-Snoqualmie National Forest, State of Washington, within the hydrographic boundaries of the Cedar River municipal watershed upstream of river mile 21.6, the Green River municipal watershed upstream of river mile 61.0, the North Fork of the Tolt River proposed municipal watershed upstream of river mile 11.7, and the South Fork Tolt River municipal watershed upstream of river mile 8.4.

[Sec. 309. No assessments may be levied against any program, budget activity, subactivity, or project funded by this Act unless such assessments and the basis therefor are presented to the Committees on Appropriations and are approved by such committees.]

[Sec. 310. Employment funded by this Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law.]

Sec. [311] *308.* Notwithstanding any other provisions of law, the Secretary of the Interior, the Secretary of Agriculture, the Secretary of Energy, and the Secretary of the Smithsonian [Institution,] *Institution* are authorized to enter into contracts with State and local governmental entities, including local fire districts, for procurement of services in the presuppression, detection, and suppression of fires on any units within their jurisdiction.

SEC. [312] *309* None of the funds provided by this Act to the United States Fish and Wildlife Service may be obligated or expended to plan for, conduct, or supervise deer hunting on the Loxahatchee National Wildlife Refuge.

[SEC. 313. No funds appropriated by this Act shall be available for the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the United States unless the appropriate State regulatory authority approves such implementation.]

SEC. [314] *310* None of the funds provided in this Act may be used to establish new grizzly bear populations in any unit of the National Park System or the National Forest System where no verified grizzly bear population currently exists. None of the funds provided in this Act may be used for augmentation in occupied areas of grizzly bear habitat unless an augmentation plan has been developed and made available for public review and comment in full compliance with the National Environmental Policy Act by all participating federal agencies:

Provided, That it is not intended to prohibit the preparation of proposals to augment existing grizzly bear populations in occupied grizzly bear habitat: *Provided further*, That such augmentation may be conducted only with funds specifically identified for such purpose in an agency budget justification [and subsequently approved in a report accompanying an appropriation bill making appropriations for that agency.] or with funds provided for through reprogramming procedures: *Provided further*, That notwithstanding any other provision of law, agencies included in this Act are authorized to reimburse permittees for such reasonable expenses as may be incurred as a result of moving permitted animals from one location to another, as may be required by the permitting agency, in order to prevent harassment and attacks by grizzly bears. Such expenses are to be determined by the agency responsible for the permitted action.

[SEC. 315. Nothwithstanding any other provision of law, section 8336(j)(3)(A) of title 5, United States Code is amended by striking "5 years" and inserting in lieu thereof "10 years".]

[SEC. 316. Section 317 of title III of the Act of December 30, 1982 (96 Stat. 1966), is amended by deleting the words "but before December 31, 1985".]

[SEC. 317. Funds available to the Department of the Interior and the Forest Service in fiscal year 1986 for the purpose of contracting for services that require the utilization of privately owned aircraft for the carriage of cargo or freight shall be used only to contract for aircraft that are certified as air-worthy by the Administrator of the Federal Aviation Administration as standard category aircraft under 14 CFR 21.183 unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services.]

SEC. [318] *311*. None of the funds made available to the Department of the Interior or the Forest Service during fiscal year [1986] *1987* by this or any other Act may be used to implement the proposed jurisdictional interchange program until enactment of legislation which authorizes the jurisdictional interchange.

SEC. [319] *312*. Notwithstanding any other provision of law, any lease for those Federal lands within the Gallatin and Flathead National Forests which were affected by case CV-82-42-BU of the United States District Court for the District of Montana, Butte Division, for which the Secretary has directed or assented to the suspension of operations and production pursuant to section 39 of the Act of February 25, 1920 (30 U.S.C. 184) shall be excepted from the limits on aggregate acreage set out in that Act: *Provided*, That any person, association or corporation receiving relief under this section shall bring its aggregate acreage into compliance with the provisions of the Act of February 25, 1920 (30 U.S.C. 184) within six months from the date the suspension of operation and production ends.

[Sec. 320. The provisions of section 2(a)(2)(A) of the Mineral Lands Leasing Act of 1920 (41 Stat. 437), as amended by section 3 of the Federal Coal Leasing Amendments Act of 1976 (90 Stat. 1083) shall not take effect until December 31, 1986.]

[Sec. 321. (a) None of the funds available to the Bureau of Indian Affairs for the construction of housing on lands acquired pursuant to section 11 of Public Law 93-531, as amended, shall be expended until a report is submitted to the House and Senate Committees on Appropriations detailing the proposed uses of such funds on the lands acquired pursuant to section 11 of Public Law 93-531.

(b) In addition to plans for housing, the report shall include a description of other services intended to be provided including, but not limited to, water, sewers, roads, schools, and health facilities. If such services are not to be provided the report shall describe alternative services available. The report shall further identify the proposed sites to which households will be relocated, including the distance from the Joint Use Area to such sites. This report shall be submitted no later than February 15, 1986, by the Navajo and Hopi Indian Relocation Commission and shall include the views of the Secretary of the Interior on the provision of housing and roads on the new lands.]

[Sec. 322. Notwithstanding any other provision of law, the limitation placed on the Secretary of the Interior by the last sentence of section 319 of "An Act making appropriations for the Department of the Interior and related agencies for the fiscal year ending September 30, 1985, and for other purposes", as enacted into law by Public Law 98-473 (98 Stat. 1837), shall remain in effect until Congress determines otherwise.]

[Sec. 323. The Secretary of the Interior, acting through the Bureau of Indian Affairs and in consultation and cooperation with the Secretary of Health and Human Services and the Secretary of Education, shall develop and begin implementation of a program which provides instruction in health promotion and disease prevention to juvenile Indians enrolled in schools operated by, or in behalf of, the Bureau of Indian Affairs.]

[Sec. 324. Public Law 96-388, as amended (36 U.S.C. 1401 et seq.), is further amended as follows:

(1) The first sentence of section 36 U.S.C. 1401 is amended to read: "There is hereby established as an independent Federal establishment the United States Holocaust Memorial Council (hereinafter in this chapter referred to as the 'Council').";

(2) 36 U.S.C. 1407 is amended by adding the word "invest," after the word "administer," in the first sentence, and by adding the following new sentence as the penultimate sentence: "Funds donated to and accepted by the Council pursuant to this section are not to be regarded as appropriated funds and are not subject to any requirements or restrictions applicable to appropriated funds."; and

(3) By adding the following new sections at the end of 36 U.S.C. 1408:

"Report to the Congress.

The Executive Director shall make a full report annually to the Congress of his stewardship of the authority to construct, operate, and maintain the Holocaust Museum, including an accounting of all financial transactions involving donated funds.

Audit by the Comptroller General; access to records.

Financial transactions of the Council, including those involving donated funds, shall be audited by the Comptroller General as requested by the Congress, in accordance with generally accepted auditing standards. In conducting any audit pursuant to this section, appropriate representatives of the Comptroller General shall have access to all books, accounts, financial records, reports, files and other papers, items or property in use by the Council, as necessary to facilitate such audit, and such representatives shall be afforded full facilities for verifying transactions with the balances.".]

[Sec. 325. Each amount of budget authority provided in this Act, or made available in the Energy Security Reserve for the Clean Coal Technology Program, for payments not required by law, is hereby reduced by 0.6 per centum: *Provided*, That such reductions shall be applied ratably to each account, program, activity, and project provided for in this Act.] *(Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190.)*

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Title I

Sec. 102 - The Department proposes to delete the last proviso which requires that funds transferred pursuant to section 102 must be replenished by a supplemental appropriation which must be requested as soon as possible.

Under most circumstances, the Department has in the past, and plans in the future, to seek supplemental funds to replenish those transferred pursuant to section 102. However, there will be instances where these is no programmatic need to replenish transferred no-year funds "as promptly as possible." Some examples of this might include: a construction project that is completed at a lower cost than expected; a development program that is terminated, either by administrative or Congressional action, before all funds appropriated are expended; or a grant program for which the expected demand has not materialized. Because it is not always necessary to replenish transferred funds through supplemental funding, the Department proposes to delete this proviso.

Sec. 104 - The Department proposes to include a provision pursuant to the Debt Collection Act of 1982, Public Law 97-365 as amended by Public Law 98-167, which requires that any debt collection contracts which specify a fixed fee or flat rate payment to the collection service contractor, must be provided for in advance in Appropriation Acts.

- The Department proposes to delete the proviso that no funds available to the Department of the Interior are available for any expenses of the Great Hall of Commerce. The language is no longer needed since no Interior funds are being used for the Great Hall of Commerce nor is there any intent to do so, and the space has been returned to the General Services Administration.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 107 - The Department proposes to delete the restrictions on OCS leasing contained in this section. Section 18 of Outer Continental Shelf Lands Act Amendments of 1978 requires the Secretary of the Interior to prepare a 5-year oil and gas leasing program which provides for an equitable sharing of developmental benefits and environmental risks among the various OCS regions. In preparing the program, the Secretary is required to consider suggestions from other Federal agencies and from the Governor of any State which may be affected by the program. The proposed 5-year program provides for this equitable sharing. For a specific proposed lease sale, the Governor of any affected State may submit recommendations to the Secretary regarding the size, timing or location of the lease sale. The Secretary must accept the recommendations of the Governor if they provide for a reasonable balance between the national interest and the well-being of the citizens of the affected State. Leasing restrictions in Appropriations Acts prevent the Secretary of the Interior from making the necessary balancing decisions among the various OCS regions. They also short-circuit the extensive planning process that exists to gather environmental and geologic information, consult with Governors of affected States, and make decisions which balance the environmental risks with the potential for oil and gas development.

During 1984 and 1985, the Department implemented changes to the OCS leasing process designed to ensure that all who have concerns will have an improved opportunity to be heard. In particular, an assertive, continued and concerted effort has been made to resolve State, environmental and military conflicts earlier in the leasing process so that the Nation can proceed with a program of appropriated exploration and reasonable development of the OCS oil and gas resources.

The Department proposes to delete this section which restricts the leasing of certain areas of the North Atlantic OCS Planning Areas. The only sales in this planning area on the proposed 5-year schedule (Sale 96 and Sale 134) are scheduled for Octobber 1988 and June 1991 respectively. The presale planning process will not be initiated from a North Atlantic sale until at least October 1986, a sale will not be held in FY 1987 in this planning area.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 110 - The Department proposes to delete this section which requires that no funds provided in this title may be used to detail any employee to an organization unless such detail is in accordance with Office of Personnel Management regulations. The language restates existing OPM regulations and written Department policy, and retention in the law is not necessary.

Sec. 111 - The Department proposes to delete this section which directs the Secretary of the Interior to make every effort during the balance of fiscal year 1986 to resolve the outstanding conflicts with respect to future leasing and protection of lands on the California continental shelf for oil and gas exploration and developement. Since this provision applies to FY 1986, there is no need to restate it in FY 1987. The Department is complying with the negotiating and reporting requirements in current law.

Sec. 112 - The Department proposes to delete this section which restricts the use of funds to promulgate final regulations concerning paleontological research on Federal lands until the Secretary has received the National Academy of Sciences report concerning the permitting and post-permitting regulations concerning paleontological research and until the Secretary has, within 30 days, submitted a report to the appropriate committees of the Congress comparing the National Academy report with the proposed regulations of the Department of the Interior. This is permanent legislation and does not have to be repeated in FY 1987.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Title III

Sec. 303 - The Department proposes to delete this section which prohibits the use of funds for noncompetitive oil and gas leasing on public lands of the Shawnee National Forest in Illinois. Land within the forest is currently being mined for coal and other minerals. Oil and gas leasing is compatible with the Shawnee National Forest Plan and is favored by the Forest Service. Some oil and gas exploration has taken place adjaceut to the forest but lands within the forest cannot be offered for lease competitively because there are no known geological structures that fall within the forest. The continued exclusion of oil and gas from leasing, despite the fact that oil and gas activity is taking place just north of the forest boundary, is inconsistent with the treatment of similar lands and unduly restricts the developement of Federal oil and gas resources.

Sec. 309 - The Department proposes to delete this section which prohibits assessments against any program, budget activity, subactivity, or project funded in the Appropriations Act unless they are presented and approved by the Committees on Appropriations. The provision contains a legislative veto of the type declared unconstitutional by the United States Supreme Court in the Chadha decision and should be deleted.

Sec. 310 - The Department proposes to delete this section which provides that employment funded by the Act shall not be subject to any personnel ceiling or other personnel restriction for permanent or other than permanent employment except as provided by law. This section results in an undue restriction on Executive Branch prerogatives required for efficient Governmental management, especially important given the large Federal deficit.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 313 - The Department proposes to delete this section which prohibits the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the Unites States unless the appropriate State regulatory authority approves such implementation and enforcement. Restrictions of this type impede effective stewardship of wildlife resources which require cooperation between the States and the Federal Government. Futher, the Department, working cooperatively with representatives of the States, industry, flyway councils and private organizations, has developed a plan to resolve the lead/nontoxic shot issue. The plan recognizes the importance of State/Federal cooperation and interaction in the formulation of objective information on the lead poisoning and nontoxic shot substitutes. The United States Fish and Wildlife Service implemented the plan in FY 1985 and is continuing to work in consultation with the affected states.

Sec. 314 - The Department proposes to delete the portion of the provision which requires that funds identified for use in augmenting existing grizzly bear populations in occupied grizzly bear habitat be "subsequently approved in a report accompanying an appropriation bill making appropriations for that agency." The provision contains a legislative veto of the type declared unconstitutional in the Supreme Court Chadha decision and should be deleted.

Sec. 315 - The Department proposes to delete the section as it is permanment legislation and need not be repeated in FY 1987.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 313 - The Department proposes to delete this section which prohibits the implementation or enforcement of any rule or regulation of the United States Fish and Wildlife Service, Department of the Interior, requiring the use of steel shot in connection with the hunting of waterfowl in any State of the Unites States unless the appropriate State regulatory authority approves such implementation and enforcement. Restrictions of this type impede effective stewardship of wildlife resources which require cooperation between the States and the Federal Government. Further, the Department, working cooperatively with representatives of the States, industry, flyway councils and private organizations, has developed a plan to resolve the lead/nontoxic shot issue. The plan recognizes the importance of State/Federal cooperation and interaction in the formulation of objective information on the lead poisoning and nontoxic shot substitutes. The United States Fish and Wildlife Service implemented the plan in FY 1985 and is continuing to work in consultation with the affected states.

Sec. 314 - The Department proposes to delete the portion of the provision which requires that funds identified for use in augmenting existing grizzly bear populations in occupied grizzly bear habitat be "subsequently approved in a report accompanying an appropriation bill making appropriations for that agency." The provision contains a legislative veto of the type declared unconstitutional in the Supreme Court Chadha decision and should be deleted.

Sec. 315 - The Department proposes to delete the section as it is permanment legislation and need not be repeated in FY 1987.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 317 - The Department proposes to delete this section which limits use of Department of the Interior and Forest Service funds to contract for services that require use of privately owned aircraft for the carriage of cargo or freight to those aircraft that are certified as airworthy by the Administrator of the Federal Aviation Administration unless the Secretary of the contracting department determines that such aircraft are not reasonably available to conduct such services. The provision affects only the procurement of one aircraft currently under contract to the Department. The provision requires the Department to make an administrative determination regarding the unacceptability of an aircraft which does not meet Departmental needs. If the unsuitability determination is made, the Department then contracts for an aircraft that does meet its needs. The contract that is awarded provides an aircraft which services multiple programs in the Bureau of Land Management, United States Fish and Wildlife Service, Bureau of Indian Affairs and National Park Service. The aircraft is the only type available for the diverse requirements needed to fulfill bureau program objectives. The programs include fire suppression, cadastral survey, other survey programs, and movement of fuel, supplies, building material and equipment. Since several bureaus utilize the same aircraft, it allows for better efficiency and utilization, thus costing less to operate.

The provision requires a needless administrative review and should be eliminated on that basis.

Sec. 320 - The Department proposes to delete this section as it is permanent legislation and does not have to be repeated in FY 1987.

Sec. 321 - The Department proposes to delete this section as it is permanent legislation and does not have to be repeated in FY 1987.

Sec. 322 - The Department proposes to delete this section as it is permanent legislation and does not have to be repeated in FY 1987.

Sec. 323 - The Department proposes to delete this section as it is permanent legislation and does not have to be repeated in FY 1987.

Sec. 324 - The Department proposes to delete this section as it is permanent legislation and does not have to be repeated in FY 1987.

DEPARTMENT OF THE INTERIOR APPROPRIATIONS ACT

FY 1987 General Provisions
Explanation of Language Changes

Sec. 325 - The Department proposes to delete this section which reduced each amount of budget authority provided in this Act by 0.6 percent, as the reduction only applied to funds provided in FY 1986 and need not be repeated in FY 1987.

DEPARTMENT OF THE ENERGY AND WATER DEVELOPEMENT APPROPRIATION ACT

-

FY 1987 General Provisions, Department of the Interior
Explanation of Language Changes

Title II

Sec. 205 - The Department proposes to delete this section which establishes a working capital fund to assist in the management of certain support activities of the Bureau of Reclamation. This is permanent legislation and does not have to be repeated in FY 1987.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

OFFICE OF THE SOLICITOR

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SOLICITOR

Fiscal Year 1987 Budget

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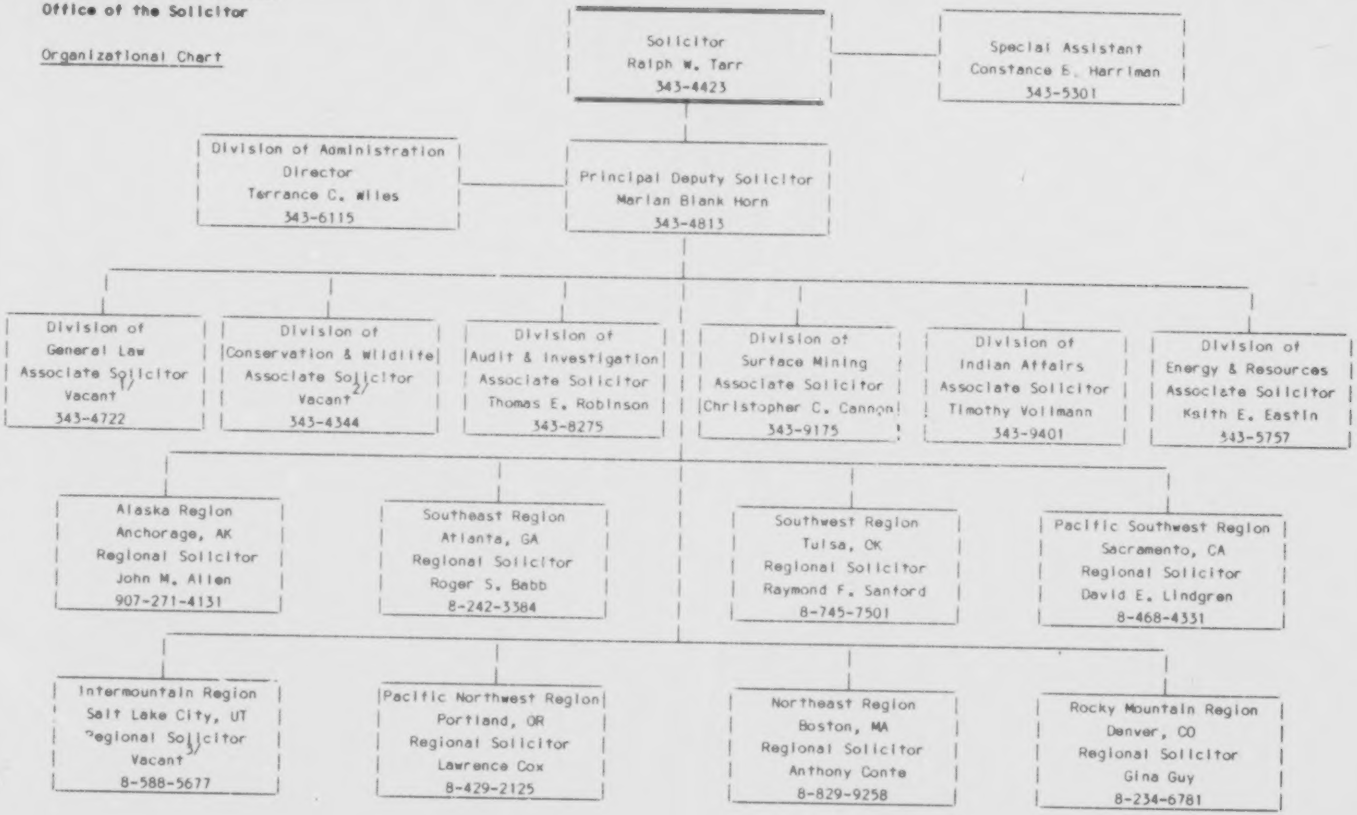
DEPARTMENT OF THE INTERIOR
Office of the Solicitor

Organizational Chart


Solicitor
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343-4423
Special Assistant
Constance B. Harriman
343-5301
Division of Administration
Director
Terrance C. Wiles
343-6115
Principal Deputy Solicitor
Marian Blank Horn
343-4813
Division of
General Law
Associate Solicitor
Vacant 1/
343-4722
Division of
Conservation & Wildlife
Associate Solicitor
Vacant 2/
343-4344
Division of
Audit & Investigation
Associate Solicitor
Thomas E. Robinson
343-8275
Division of
Surface Mining
Associate Solicitor
Christopher C. Cannon
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Division of
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Timothy Vollmann
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Division of
Energy & Resources
Associate Solicitor
Keith E. Eastin
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Regional Solicitor
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Regional Solicitor
Roger S. Babb
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Southwest Region
Tulsa, OK
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Raymond F. Sanford
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Pacific Southwest Region
Sacramento, CA
Regional Solicitor
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Intermountain Region
Salt Lake City, UT
Regional Solicitor
Vacant 3/
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Pacific Northwest Region
Portland, OR
Regional Solicitor
Lawrence Cox
8-429-2125
Northeast Region
Boston, MA
Regional Solicitor
Anthony Conte
8-829-9258
Rocky Mountain Region
Denver, CO
Regional Solicitor
Gina Guy
8-234-6781

1/ Timothy S. Elliott, Acting
2/ Gale Norton, Acting

3/ David Grayson, Acting

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
GENERAL STATEMENT

The Office of the Solicitor provides legal advice and expertise to the various offices and bureaus within the Department of the Interior. The Office advises, represents, and assists the Secretary, his staff, and the bureaus and offices in accomplishing their goals and the goals of the Administration.

Specific legal services provided by the Solicitor's Office include representation in both administrative and judicial litigation, preparation of legal opinions, legal review of legislation, regulations, contracts and other documents, and providing of informal legal counsel.

The Solicitor's Office is organized into divisions which are structured to serve specific program area needs. Legal support for the field activities of the Department's bureaus and offices is provided throughout the United States by the Solicitor's regional and field offices.

Highlights of 1987 Request

During fiscal year 1987, the Solicitor's Office will continue to emphasize settlement of disputes involving the Department through negotiation rather than litigation. Substantial progress in resolving disputes through negotiation has been made in the past. The Office has been active in negotiation in cases as diverse as those involving a court order revising the Judge Parker and Judge Gasch orders, and the closing of the San Luis Drain and the Kesterson Reservoir in California. Claims involving the Papago and Ak-Chin Indian tribes have been settled successfully.

In fiscal year 1987, the Solicitor's Office will perform legal activities related to the resolution of problems connected with the Central Valley Project, fulfillment of the Department's role in the resolution of water rights settlements and in Indian trust responsibilities, and implementation of the Reclamation Reform Act of 1982 and the Competition in Contracting Act of 1984.

The Office will also continue to assist in collection of delinquent abandoned mine land fees and civil penalties and to support OSM's efforts in compliance with the settlement agreement and with section 733 responsibilities.

Comparison of 1987 Estimate with 1986 Enacted to Date

(dollar amounts in thousands)

		FY 1986 Enacted to Date	FY 1986 Adjusted Approp.	FY 1987 Estimate	Inc. (+) or Dec. (-) from Enacted	Permanent Employment 12/31/85
Legal Services Salaries and Expenses	$	20,256	19,385	20,800	+544	---
	(FTE-T)	365	365	365	---	350
Reimbursables	$	200	200	200	---	---
	(FTE-T)	3	3	3	---	2
TOTAL	$	20,456	19,585	21,000	+544	---
	(FTE-T)	368	368	368	---	352

The fiscal year 1987 request consists of $386,000 for base adjustments and a programmatic increase of $158,000.

The base adjustments increases consist of $32,000 for increased employee compensation fund payments and $354,000 for increased rental payments to the General Services Administration.

The programmatic increase of $158,000 is to provide funding to create a computerized data base of Solicitor's opinions and to purchase terminals to facilitate legal research and increase the ratio of equipment to users in regional and field officies.

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SOLICITOR

SALARIES AND EXPENSES

For necessary expenses of the Office of the Solicitor, **[$20,256,000]** ____________________ $20,800,000.

(43 U.S.C. 1455; Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190)

Appropriation Language Citation

Appropriation: Salaries and Expenses

Appropriation language and citations:

1. For necessary expenses of the Office of the Solicitor.

43 U.S.C. 1455

43 U.S.C. 1455 provides that on and after June 26, 1946, the legal work of the Department of the Interior shall be performed under the supervision and direction of the Solicitor of the Department of the Interior, who shall be appointed by the President with the advice and consent of the Senate.

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR

Summary of Requirements
(dollar amounts in thousands)

Appropriation: Salaries and Expenses

Summary of Base Adjustments:	FTE/T	Amount	FTE/T	Amount
Appropriation, 1986			365	20,256
P.L. 99-177 Reduction				- 871
Adjusted Appropriation, 1986			365	19,385
Base Adjustments:				
Adjustment for 1986 impact of P.L. 99-177		+871		
Employees Compensation Fund	---	+ 32	---	---
Rental payments to GSA	---	+354	---	---
Total, adjustments to base			---	+1,257
1987 Base Budget			---	20,642
Program Changes			---	+ 158
Total Requirements (1987 Estimate)			365	20,800

Activity/Subactivity:	1985 Actual FTE/T	1985 Actual Amount	1986 Enacted to Date FTE/T	1986 Enacted to Date Amount	P.L.99-177 Reduction	1986 Adjusted Approp.	1987 Base FTE/T	1987 Base Amount	1987 Estimate FTE/T	1987 Estimate Amount	Inc.(+)/Dec.(-) from 1986 Appropriation FTE/T	Inc.(+)/Dec.(-) from 1986 Appropriation Amount	Inc.(+)/Dec.(-) from 1986 Adjusted Approp.	Inc.(+)/Dec.(-) from 1987 Base FTE/T	Inc.(+)/Dec.(-) from 1987 Base Amount
Legal Services	347	17,964	338	17,210	-740	16,470	338	17,536	338	17,646	---	+436	+ 1,176	---	+110
General Administration	28	2,598	27	3,046	-131	2,915	27	3,106	27	3,154	---	+108	+ 239	---	+ 48
Total Direct Program	375	20,562	365	20,256	-871	19,385	365	20,642	365	20,800	---	+544	+ 1,415	---	+158
Reimbursables:	3	200	3	200	---	200	3	200	3	200	---	---	---	---	---
TOTAL PROGRAM OPERATIONS	378	20,762	368	20,456	-871	19,585	368	20,842	368	21,000	---	+544	+ 1,415	---	+158

Justification of Base Adjustments

	FTE	Amount
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations..........	---	+871

The Balanced Budget and Emergency Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

	FTE	Amount
Employees Compensation Fund....................................	---	+ 32

The increase in the repayment to the Employees Compensation Fund is the result of higher costs for compensation to injured employees. These charges will be reimbursed to the Department of Labor, Federal Employees Compensation Fund, with 1987 funds pursuant to P.L. 94-273.

	FTE	Amount
Rental payments to GSA..	---	+354

This adjustment reflects increased rental payments to GSA.

Justification of Program and Performance

Activity: Legal Services

(dollar amounts in thousands)

		1986 Enacted to Date	1986 Adjusted Approp.	1987 Base	1987 Estimate	Inc.(+) Dec.(-) from 1986	Inc.(+) Dec.(-) from Base
Salaries and Expenses							
Legal Services	$	17,210	16,470	17,536	17,646	+ 436	+ 110
	(FTE/T)	(338)	(338)	(338)	(338)	(---)	(---)
General Administration	$	3,046	2,915	3,106	3,154	+ 108	+ 48
	(FTE/T)	(27)	(27)	(27)	(27)	(---)	(---)
Total Requirements	$	20,256	19,385	20,642	20,800	+ 544	+ 158
	(FTE/T)	(365)	(365)	(365)	(365)	(---)	(---)

Gramm-Rudman-Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
Salaries and Expenses	20,256	-871	19,385

As a result of the $871 thousand P.L. 99-177 reduction, a hiring freeze has been imposed and travel, overtime, and ordering of legal subscriptions and other publications are restricted.

AUTHORIZATION

43 U.S.C. 1455: "The legal work of the Department of the Interior shall be performed under the supervision and direction of the Solicitor of the Department of the Interior, who shall be appointed by the President with the advice and consent of the Senate."

OBJECTIVES

The Interior Department's legal functions are carried out by attorneys in the Solicitor's Office. As questions arise concerning the legality of implementing a natural resource program or reviewing documents for legal sufficiency, attorneys are called upon to offer legal service. Attorneys assist the bureaus and agencies within the Department, as well as the Secretary, Under Secretary, and Assistant Secretaries, by reviewing programs and projects to assure that all legal requirements have been met and the proper course of action is being followed consistent with effective law and regulations. In addition, Solicitor's Office attorneys assist Department of Justice attorneys in judicial litigation regarding cases involving the Interior Department, and attorneys within the Solicitor's Division of Surface Mining litigate collection and enforcement cases under the Surface Mining Control and Reclamation Act of 1977 as Special Assistant United States attorneys.

BASE PROGRAM

Organizational Structure

The Solicitor's Office consists of a headquarters organization at Washington, D.C., and regional and field offices located at twenty locations throughout the United States. The Solicitor is the chief attorney for the Interior Department. As such, he is the personal legal advisor to the Secretary. Also, he directs the Department's skilled legal staff and is responsible for the legal work of the Department.

The Washington, D.C., office is organized into six major legal divisions and an administrative division, as illustrated below. Each division is headed by an Associate Solicitor who is directly responsible to the Solicitor. Attorneys, under the supervision of Assistant Solicitors, render legal service for the Department's programs.

The field organization of the Solicitor's Office is divided into eight regions, as illustrated below, located at various points in the United States. Each region is headed by a Regional Solicitor who is directly responsible to the Deputy Solicitor and the Solicitor.

Headquarters

Division of Audit and Investigation
Division of Conservation and Wildlife
Division of Energy and Resources
Division of General Law
Division of Indian Affairs
Division of Surface Mining*
Division of Administration

Regions	Regional Offices	Field Offices
Alaska	Anchorage, Alaska	----
Southeast	Atlanta, Georgia	----
Northeast	Boston, Massachusetts	----
Intermountain	Salt Lake City, Utah	----
Rocky Mountain	Denver, Colorado	Twin Cities, Minnesota Billings, Montana
Pacific Northwest	Portland, Oregon	Boise, Idaho
Pacific Southwest	Sacramento, California	Phoenix, Arizona Window Rock, Arizona San Francisco, California

---

*The field offices in Knoxville, Tennessee; Pittsburgh, Pennsylvania; and Charleston, West Virginia, are organizationally part of the Division of Surface Mining.

Regions	Regional Offices	Field Offices
Southwest	Tulsa, Oklahoma	Santa Fe, New Mexico Amarillo, Texas Pawhuska, Oklahoma

The Solicitor's Office is a legal service organization; the principal agencies served by the Solicitor's divisions and regional offices are shown below. To best serve the Secretary, the divisions are comprised of branches in support of Interior's programs.

Divisions	Branches	Principal Agencies Served
Audit & Investigation	---	Office of Inspector General
Conservation & Wildlife	Fish and Wildlife National Capital Parks Parks and Recreation	Office of the Secretariat Assistant Secretary for Fish Wildlife and Parks National Park Service National Capital Region Fish and Wildlife Service Assistant Secretary-Policy, Budget and Administration
Energy & Resources	Land Use Offshore Minerals and International Law Onshore Minerals Environmental Law and Realty Water and Power Land Titles and Eastern Minerals and Realty	Office of the Secretariat Assistant Secretary-Land and Minerals Management Assistant Secretary-Water and Science Bureau of Land Management Bureau of Reclamation U.S. Geological Survey Minerals Managements Service
General Law	Administrative Law & General Legal Services Equal Opportunity Compliance Procurement and Patents	Office of the Secretary Office of the Solicitor Department of the Interior generally (including all of the bureaus and offices thereof) Assistant Secretary-Policy, Budget and Administration Assistant Secretary-Territorial and International Affairs Office for Equal Opportunity Office of Youth Programs Division of Helium, Bureau of Mines
Indian Affairs	General Indian Legal Activities Lands and Minerals Tribal Government Water and Power	Office of the Secretariat Assistant Secretary for Indian Affairs Bureau of Indian Affairs

Divisions	Branches	Principal Agencies Served
Surface Mining	Litigation Governmental Relations Regulatory Programs Enforcement & Collection	Office of the Secretariat Assistant Secretary-Land and Minerals Management Office of Surface Mining Reclamation and Enforcement
	Field Offices:	
	Knoxville, Tennessee Pittsburgh, Pennsylvania Charleston, West Virginia	Office of Surface Mining Reclamation & Enforcement

Regions	Principal Agencies Served
Alaska	Bureau of Land Management, State Office, Anchorage, Alaska Bureau of Land Management, State Office, Trans-Alaska Pipeline Office, Anchorage, Alaska Bureau of Indian Affairs, Area Office, Juneau, Alaska National Park Service, Regional Office, Anchorage, Alaska U.S. Fish and Wildlife Service, Regional Office, Anchorage, Alaska U.S. Geological Survey, Alaska Office, Anchorage, Alaska
Southeast	Bureau of Indian Affairs, Eastern Area Office, Washington, D.C. Bureau of Indian Affairs, Seminole Agency, Hollywood, Florida Bureau of Indian Affairs, Choctaw Agency, Philadelphia, Mississippi Bureau of Land Management, Project Office, Tuscaloosa, Alabama U.S. Geological Survey, Atlanta Office, Atlanta, Georgia U.S. Geological Survey, Eastern States Office, Washington, D.C. U.S. Fish and Wildlife Service, Southeast Regional Office, Atlanta, Georgia National Park Service, Southeast Region, Atlanta, Georgia
Northeast	Bureau of Mines, Regional Office, Pittsburgh, Pennsylvania Bureau of Mines, Branch of Procurement, Bruceton, Pennsylvania U.S. Geological Survey, The National Center, Reston, Virginia and Water Resource Division, District Offices throughout Northeast Region U.S. Fish and Wildlife Service, Regional Office, Newton Corner, Massachusetts National Park Service, Mid-Atlantic Region, Philadelphia, Pennsylvania National Park Service, North Atlantic Regional Office, Boston, Massachusetts Lowell Historic Preservation Commission, Lowell, Massachusetts Appalachian Trail, Project Office, Martinsburg, West Virginia Office of Surface Mining, Eastern Technical Center, Pittsburgh, Pennsylvania

Regions	Principal Agencies Served
Rocky Mountain	Bureau of Land Management, Denver Service Center, Denver, Colorado
	Bureau of Land Management, Colorado State Office, Denver, Colorado
	Bureau of Land Management, Montana State Office, Billings, Montana
	Bureau of Land Management, Wyoming State Office, Cheyenne, Wyoming
	Bureau of Land Management, Eastern States Office, Alexandria, Virginia
	National Park Service, Denver Service Center, Denver, Colorado
	National Park Service, Rocky Mountain Regional Office, Denver, Colorado
	National Park Service, Midwest Regional Office, Omaha, Nebraska
	Bureau of Reclamation, Engineering & Research Center, Denver, Colorado
	Bureau of Reclamation, Upper Missouri Region, Billings, Montana
	Bureau of Reclamation, Lower Missouri Region, Denver, Colorado
	U.S. Geological Survey, Central Regional Office, Denver, Colorado
	U.S. Geological Survey, Central Regional Office, Bismarck, North Dakota
	U.S. Geological Survey, District Office, Helena, Montana
	U.S. Geological Survey, District Office, Indianapolis, Indiana
	U.S. Fish and Wildlife Service, Regional Office, Denver, Colorado
	U.S. Fish and Wildlife Service, Regional Office, Minneapolis, Minnesota
	Office of Surface Mining, Western Technical Center, Denver, Colorado
	Office of Surface Mining, Field Office, Casper, Wyoming
	Office of Surface Mining, Western Region, Denver, Colorado
	Bureau of Mines, Research Center, Denver, Colorado
	Bureau of Mines, Research Center, Minneapolis, Minnesota
	Bureau of Indian Affairs, Area Office, Minneapolis, Minnesota
	Bureau of Indian Affairs, Area Office, Billings, Montana
	Bureau of Indian Affairs, Area Office, Aberdeen, South Dakota
	Minerals Management Service, Regional Office, Denver, Colorado
	Minerals Management Service, Casper, Wyoming
Pacific Southwest	Bureau of Indian Affairs, Area Office, Phoenix, Arizona
	Bureau of Indian Affairs, Area Office, Sacramento, California
	Bureau of Indian Affairs, Area Office, Window Rock, Arizona
	Bureau of Reclamation, Mid-Pacific Region, Sacramento, California
	Bureau of Reclamation, Lower Colorado Region, Boulder City, Nevada
	Bureau of Land Management, State Office, Sacramento, California
	Bureau of Land Management, State Office, Reno, Nevada
	Bureau of Land Management, State Office, Phoenix, Arizona
	National Park Service, Western Regional Office, San Francisco, California
	U.S. Geological Survey, Western Regional Office, Menlo Park, California

Regions	Principal Agencies Served
Pacific Southwest (cont'd)	U.S. Fish and Wildlife Service, Regional Office, Region One, Portland, Oregon U.S. Fish and Wildlife Service, Regional Office, Region Two, Albuquerque, New Mexico Minerals Management Service, Pacific OCS Region, Los Angeles, California Minerals Management Service, International Programs and Critical/Strategic Minerals, Los Angeles, California Office of Aircraft Services, National Headquarters, Boise, Idaho
Intermountain	Bureau of Reclamation, Upper Colorado Region, Salt Lake City, Utah Bureau of Land Management, State Office, Salt Lake City, Utah Bureau of Indian Affairs, Area Office, Phoenix, Arizona National Park Service, Regional Office, Denver, Colorado U.S. Geological Survey, District Office, Salt Lake City, Utah Bureau of Mines, Salt Lake City, Utah U.S. Fish and Wildlife Service, Area Office, Salt Lake City, Utah
Pacific Northwest	Bureau of Indian Affairs, Area Office, Portland, Oregon Bureau of Mines, Western Field Operations Center, Portland, Oregon U.S. Geological Survey, District Office, Portland, Oregon Boise Interagency Fire Center, Boise, Idaho Bureau of Reclamation, Pacific Northwest Region, Boise, Idaho National Park Service, Pacific Northwest Region, Seattle, Washington Bureau of Land Management, State Office, Portland, Oregon Bureau of Land Management, State Office, Boise, Idaho Bureau of Land Management, Office of Aircraft Services, Boise, Idaho U.S. Fish and Wildlife Service, Region One, Portland, Oregon
Southwest	Bureau of Indian Affairs, Central Office Divisions, Albuquerque, New Mexico Bureau of Indian Affairs, Area Office, Albuquerque, New Mexico Bureau of Indian Affairs, Area Office, Anadarko, Oklahoma Bureau of Indian Affairs, Area Office, Muskogee, Oklahoma Osage Agency, Bureau of Indian Affairs, Pawhuska, Oklahoma Bureau of Land Management, State Office, Santa Fe, New Mexico Bureau of Reclamation, Southwest Region, Amarillo, Texas U.S. Geological Survey, Central Region, Amarillo, Texas U.S. Fish and Wildlife Service, Regional Office, Region 2, Albuquerque, New Mexico U.S. Fish and Wildlife Service, Regional Office, Region 4, Atlanta, Georgia

Regions	Principal Agencies Served
Southwest (cont'd.)	National Park Service, Regional Office, Santa Fe, New Mexico
	Bureau of Mines, Office of Helium Operations, Amarillo, Texas
	Office of Surface Mining, State Office, Tulsa, Oklahoma
	Minerals Management Service, Regional Office, Metairie, Louisiana

The allocation of the Solicitor's appropriation is:

(dollar amounts
in thousands)

		FY 1986 Enacted	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) from 1986	Inc.(+) Dec.(-) from Base
General Administration	$	3,046	3,106	3,154	+108	+ 48
	FTE-T	27	27	27	---	---
Conservation and Wildlife	$	1,310	1,343	1,350	+ 40	+ 7
	FTE-T	26	26	26	---	---
Energy and Resources	$	2,130	2,170	2,187	+ 57	+ 17
	FTE-T	42	42	42	---	---
General Law	$	1,425	1,452	1,467	+ 42	+ 15
	FTE-T	28	28	28	---	---
Indian Affairs	$	1,270	1,297	1,303	+ 33	+ 6
	FTE-T	25	25	25	---	---
Surface Mining	$	3,155	3,217	3,237	+ 82	+ 20
	FTE-T	62	62	62	---	---
Audit and Investigation	$	100	103	104	+ 4	+ 1
	FTE-T	2	2	2	---	---
Alaska	$	555	565	569	+ 14	+ 4
	FTE-T	10	10	10	---	---
Southeast	$	515	520	522	+ 7	+ 2
	FTE-T	10	10	10	---	---
Northeast	$	510	513	515	+ 5	+ 2
	FTE-T	10	10	10	---	---
Rocky Mountain	$	1,475	1,500	1,512	+ 37	+ 12
	FTE-T	29	29	29	---	---
Pacific Northwest	$	1,120	1,135	1,140	+ 20	+ 5
	FTE-T	22	22	22	---	---
Pacific Southwest	$	1,525	1,551	1,557	+ 32	+ 6
	FTE-T	30	30	30	---	---
Intermountain	$	350	363	365	+ 15	+ 2
	FTE-T	7	7	7	---	---
Southwest	$	1,770	1,807	1,818	+ 48	+ 11
	FTE-T	35	35	35	---	---
Total	$	20,256	20,642	20,800	+544	+158
	FTE-T	365	365	365	---	---

Program Description

The following program description provides an overview of the major legal issues and questions within the Interior Department. It is organized by principal clients served and identifies the base legal services provided each client as well as furnishing a description of the major legal projects initiated, completed, and anticipated in fiscal years 1985, 1986, and 1987.

Base legal activities describe the services that the Solicitor routinely provides to bureaus and offices and includes such activities as providing advice and legal opinions on specific programs, legislation or rules and regulations, and defending litigation. When a Departmental bureau or office alters the direction or level of a program, special nonrecurring legal projects emerge, many of which require a substantial amount of staff time to resolve. During the year the Solicitor's attorneys are assigned base activities to perform in addition to several major legal projects. Combining the base activities with the major projects yields the overall legal agenda which has and will confront the Interior Department and, thus, the Solicitor.

The Solicitor provides legal services to the Secretary, Under Secretary, and six Assistant Secretaries. The Solicitor's divisional and regional offices serve the Secretary by providing legal support to his bureaus and offices. During fiscal years 1986 and 1987, the Solicitor's Office will give budget priority in support of Presidential and Secretarial policy initiatives. These policy initiatives range from the various programs leading to Indian self-determination to programs focusing on the conservation, restoration, and development of the nation's natural resources, the assessment of damages to natural resources for which the Department acts as trustee, and the protection and management of wildlife.

FISH AND WILDLIFE SERVICE
Client

BASE ACTIVITIES:

The Fish and Wildlife Service (FWS) encounters legal problems involving the enforcement of federal wildlife statutes, management of the 420 unit, eighty-six million acre National Wildlife Refuge System, negotiation and application of international fish and wildlife conservation treaties, and land acquisition by purchase, condemnation, or exchange, that arise from the following programs and acts: Alaska National Interest Lands Conservation Act (ANILCA), Endangered Species Act, seven international wildlife conservation treaties, Pittman-Robertson and Dingell-Johnson Federal Aid Programs, Bald and Golden Eagle Protection Act, Migratory Bird Treaty Act, Migratory Bird Conservation Act, Migratory Bird Hunting and Conservation Stamp Act, Lacey Act, Marine Mammal Protection Act, animal damage control program, annual migratory bird hunting program, National Wildlife Refuge System Administration Act, Coastal Barriers Act, Clean Water Act, Superfund, Clean Air Act, Coastal Zone Management Act, Wilderness Act, Alaska Native Claims Settlement Act (ANCSA) and the Fish and Wildlife Coordination Act.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Endangered Species Act (ESA), and the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES): The Solicitor's Office played a significant role in the development of several major sets of regulations under the ESA. These include final regulations implementing Section 7 of the ESA as amended and regulations involving the listing procedures under Section 4 of the ESA. Further, the Office issued numerous legal opinions on ESA issues for the FWS, reviewed over eight state programs for potential Section 6 cooperative agreements, and reviewed over 150 separate rulemaking packages and accompanying documents connected with the listing and "experimental population" processes. The Office also assisted the FWS in preparation for the CITES Conference of the Parties held in Buenos Aires, Argentina, in April-May, 1985.

2. Arctic National Wildlife Refuge: Detailed legal advice was provided on the management of the Arctic National Wildlife Refuge (ANWR) in the following areas: the preparation of the resource assessment report required to be submitted to Congress by Section 1002 of ANILCA; an administrative appeal of the Regional Director's denial of an application to explore the 1002 study area; the relationship between the administration of the 1002 program and the wilderness study provisions of ANILCA; and the preparation of a Section 204(c) report under the Federal Land Policy and Management Act and Section 1326 of ANILCA for the withdrawal for refuge purposes of approximately 971,000 acres of land. The Office also drafted and negotiated a master agreement with the State of Alaska for the sharing of certain Section 1002 and State oil and gas data relevant to the evaluation of the federal hydrocarbon resources in Alaska.

3. National Wildlife Refuge Resource Protection Issues: A number of refuge resource protection issues were handled by the Solicitor's Office. One issue concerned the possible pollution of refuge lands by contaminated agricultural drain water. In California, the problem was particularly acute at one

Refuge where contaminated drain water was causing injury and death to migratory waterfowl. The Office prepared two detailed legal opinions on the issue and provided other legal advice to the FWS on the subject. The Office was also involved in the analysis of legal issues pertaining to the FWS's regulation of reserved oil and gas interests. There was litigation (still pending) over whether the reserved mineral holder is required to obtain an access and special use permit from the FWS. In addition, FWS published a notice of intent to issue regulations governing reserved mineral interests which elicited numerous public comments that were analyzed by this Office.

4. Subsistence in Alaska: Title VIII of ANILCA: Title VIII of ANILCA gives a preference to rural residents of Alaska over all others in hunting and fishing on the public lands. The State of Alaska has been implementing the preference pursuant to a May 1982 Secretarial finding that Alaska's subsistence program was consistent with ANILCA's requirements. Recent State court rulings forced the Secretary to withdraw that certification and begin contingency planning in case the federal government has to take over the subsistence program in Alaska. The Office has provided the Secretary and the FWS with oral and written advice on the numerous legal issues involved in the federal review of the State subsistence program under ANILCA.

5. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA or Superfund): CERCLA required that regulations setting out procedures for conducting assessments to determine damages to natural resources from the release of hazardous substances or oil be promulgated by December 1982. Three separate lawsuits were filed against the Department requesting the promulgation of the regulations within a court ordered timeframe. With significant assistance from the Office, the initial information gathering, analysis and drafting of the proposed regulations were completed in this fiscal year. In addition, the Office has provided legal advice to FWS regarding negotiations over the cleanup of hazardous waste sites on the Crab Orchard and Kenai Wildlife Refuges. Finally, the Office played a significant role in the reauthorization of CERCLA. Assistance was provided in drafting proposed amendments and providing comments on Environmental Protection Agency and other federal agency proposals.

6. Alaska Land Exchanges and Acquisition: The Office organized a comprehensive two-day workshop on acquiring and disposing of lands in Alaska through exchange, and the Office negotiated an agreement completing the purchase of the bird cliffs on the Pribilof Islands.

7. Federal Wildlife Conservation Laws and Reserved Native American Hunting and Fishing Rights: The FWS issued interim guidelines for establishing more flexible seasons and other management measures that govern the hunting of migratory birds on Indian reservations and ceded lands. The Office provided extensive advice to the FWS as these guidelines were developed, and assisted the FWS in negotiating new seasons for several Indian tribes consistent with the guidelines. In the 1985 decision in United States v. Dion, the Eighth Circuit Court of Appeals held that neither the Endangered Species Act nor the Bald and Golden Eagle Protection Act apply to the noncommercial taking of bald eagles by Native Americans while hunting on their reservation. Because this holding conflicts with the Department's legal position that these federal

conservation laws do apply to the exercise of treaty hunting rights, this Office worked closely with the Department of Justice in the petition for writ of certiorari, which was granted, to overturn the Dion ruling.

8. Fish and Wildlife Coordination Act (FWCA): The Office provided extensive assistance to the FWS in two areas arising out of its responsibilities under the FWCA. (1) Extensive comments were provided to the FWS and the Department of Justice in connection with two lawsuits involving the Section 404 program under the Clean Water Act, including Riverside Bay View Homes, which was decided by the Supreme Court on December 4, 1985. (2) Numerous requests to intervene in FERC hydro licensing proceedings were reviewed and the Office participated in extensive negotiations over one matter in particular, the relicensing of Kerr Dam. Finally, the Office participated on a task force established to improve the effectiveness of the FWS assistance to the Federal Energy Regulatory Commission.

9. Fish and Wildlife Law Enforcement: Ongoing legal assistance was given to FWS in relation to the enforcement of federal fish and wildlife laws. In particular, the Office processed administrative forfeitures of 96 seized falcons, assisted Justice in obtaining judicial forfeitures involving over $200,000 worth of wildlife imported in violation of the Endangered Species Act, and reduced to judgment $40,000 in civil penalties issued by this Office. The Office also assisted in several court appeals regarding enforcement procedures, and provided ongoing advice and representation on miscellaneous law enforcement matters.

10. ANILCA Alaska Land Bank Program: The Office provided extensive comments on draft guidelines on the land bank program established by Section 907 of ANILCA, as well as on the discussion of land bank issues in the Secretary's report to Congress required by Section 23 of ANCSA. The Office also participated in the drafting and negotiation of a model land bank agreement with the Bristol Bay Native Corporation for use by the Native corporations within its region.

11. National Wildlife Refuge System Hunting Programs: The Refuge Recreation Act and National Wildlife Refuge System Administration Act authorize the FWS to permit controlled sport hunting and trapping on refuges if certain criteria are met. The FWS currently permits such hunting on 288 refuges. The Office provided extensive oral and written advice on improvements to these programs aimed at ensuring compliance with all laws and minimizing litigation risks, and in codifying the final time in 20 years all refuge recreation regulations. In addition, this Office also prepared two administrative records in connection with legal challenges to the refuge hunting program.

12. ESA Habitat Conservation Plans (HCP's) and Incidental Take Permits: Section 10(a)(1)(B) of the Endangered Species Act authorizes the FWS to issue permits allowing the taking of endangered or threatened species incidental to development or other lawful activities, provided that the permit is supported by a plan for conserving the species and their habitats. The Office provided FWS with extensive legal assistance in its development of generic regulations implementing this provision. The Office has actively represented the FWS in lengthy negotiations and review of documents with respect to HCP's for development in North Key Largo, Florida, and the Coachella Valley in Southern California. The Office also has assisted the FWS in its review of amendments to the San Bruno, California, HCP that was originally approved in 1983.

13. Marine Mammal Protection Act (MMPA): Legal advice was provided to the FWS on the revision of its regulations at 50 CFR Part 18 to implement the 1981 Amendments to the MMPA regarding marking and tagging requirements for marine mammals harvested by Alaska Natives for subsistence and handicraft purposes. Finally, the Office also provided the FWS with extensive comments during lengthy discussions with the State of Alaska regarding the return of marine mammal management to the State.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Endangered Species Act (ESA): The Office will be extensively involved in the regulatory implementation of the 1985 Amendments to the ESA, including the provision of oral and written legal advice interpreting the effects of those Amendments. The Office will also provide oral and written advice on the final Section 7 consultation regulations, which are expected to be published in fiscal year 1986, and participate actively in FWS workshops on the new regulations. An increased workload of over 175 regulatory documents connected with the ESA listing process is anticipated for review by this Office. Extensive legal advice will be required as the FWS prepares and issues its final regulations and a final environmental impact statement for threatened sea otter translocation off the coast of California.

2. Subsistence in Alaska: Title VIII of ANILCA and the Canadian Migratory Bird Treaty Protocol: The Office will continue to assist the Assistant Secretary for Fish and Wildlife and Parks and the FWS in addressing the complex legal issues arising out of the Secretarial finding in September 1985 that the State of Alaska's subsistence program no longer complied with the subsistence preference requirement of Title VIII of ANILCA. In particular, the Office will provide legal review of the adequacy of any submission by the State of a revised subsistence program and will advise the Department as it develops contingency plans for a federal subsistence program to be implemented if the State of Alaska remains out of compliance with the requirements of Title VIII. The Office will also assist in completing the negotiations on the U.S.-Canada agreement on interpreting the 1979 U.S.-Canada Protocol which modified the Alaska subsistence hunting provisions of the 1916 Canadian Migratory Bird Treaty.

3. Arctic National Wildlife Refuge: The Office will continue to provide the FWS and the Department with legal advice and assistance concerning management of the Arctic National Wildlife Refuge. Major emphasis will be placed on reviewing the resource assessment report to Congress required by Section 1002 of the Alaska National Interest Lands Conservation Act, defending the National Environmental Policy Act litigation filed over the submission of the Secretary's report to Congress, and assisting in the formulation of the Secretary's recommendations to Congress with respect to the future management of the Refuge's coastal plain. Ongoing advice may also be needed on such matters as mineral data sharing, disclosure and confidentiality.

4. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA): The Office will continue to play a major role in the promulgation of the natural resource damage assessment regulations required under CERCLA as they are proposed for public comment and finalized. The Office will also continue to assist in the negotiation of cleanup agreements and the filing of claims against private parties who are liable for hazardous waste releases on

FWS administered lands such as the Crab Orchard and Kenai National Wildlife Refuges. Finally, CERCLA is expected to be reauthorized in fiscal year 1986 and to include major new compliance requirements for the client agencies. The Office would have a significant role in interpreting the provisions of the new law and in providing oral and written legal advice and assistance to FWS as to its new responsibilities.

5. Federal Wildlife Conservation Laws and Reserved Native American Hunting and Fishing Rights: The Office will continue to advise the FWS on the establishment and enforcement of experimental migratory bird hunting seasons and management programs on Indian reservations and ceded lands. Litigation may arise on this issue; if so, the Office will be closely involved in the defense of the FWS actions with regard to the regulation of migratory bird hunting on Indian reservations and ceded lands under the Migratory Bird Treaty Act.

6. National Wildlife Refuge Resource Protection Issues: The Office will continue to provide legal advice to the FWS on the issue of contamination of refuge resources by agricultural drain water. In addition, the Office will assist the Justice Department in the lawsuit brought to enforce the FWS policy of requiring an access and special use permit for exploration and development of reserved oil and gas interests. It is expected that similar problems will arise in other refuges where the United States does not own the minerals. The Office will also assist in the issuance of regulations governing exploration and development of reserved mineral interests. Legal advice and assistance will also be provided on the controlled sport hunting and trapping permitted on refuges, the litigation challenging the refuge hunting program, and the preparation of an environmental impact statement on refuge uses.

7. Alaska Land Acquisition: The Office will continue to work with the FWS and other Departmental bureaus on land exchanges in Alaska. This will involve active participation in negotiations on major exchanges, such as the exchange of subsurface interests in the ANWR, and review and comment on smaller exchanges. The Office anticipates that it could be actively involved in up to three or four large exchanges during fiscal year 1986. In addition, the Office will continue to help the FWS negotiate Alaska land bank agreements, such as the one with Gana-A' Yoo, Ltd.

8. Law Enforcement Assistance: The Office will continue to provide advice to FWS and assistance to the Justice Department in connection with a wide range of law enforcement matters. The Office assesses civil penalties, conducts administrative forfeitures under various federal wildlife statutes, and acts as liaison with the Justice Department on law enforcement matters. Of particular significance will be the need to assist in any ongoing defenses to legal challenges to the importation of exotic wildlife, enforcement of that part of the Migratory Bird Treaty Act dealing with the commercialization of bird parts, administrative inspection of permit holders' premises and termination of permits, and the processing of $30,000 in civil penalties for illicit commerce in falcons.

9. Fish and Wildlife Coordination Act (FWCA) and Wetland Conservation: The Office will become actively involved in the development of generic regulations regarding the exercise of the Secretary's authority under Section 4(e) of the Federal Power Act. The Office will also review 15-20 requests to intervene in FERC proceedings during the fiscal year and will assist the FWS in implementing

the recommendations of the DOI/FERC Task Force. Also, extensive oral and written legal advice will be provided to the FWS on matters involving wetlands and the Section 404 program under the Clean Water Act and the FWCA, especially as they relate to litigation involving the Army Corps of Engineers and the FWS. In addition, the Office will assist the FWS in issuing final regulations clarifying the scope and application of the general Wildlife Refuge System regulations to wetland easement areas within the System.

10. Marine Mammal Protection Act (MMPA): The Office will assist the FWS in the issuance of final marking and tagging regulations (if the State of Alaska does not request transfer of management authority), and may be involved in formal rulemaking hearings should the FWS decide to waive the taking moratorium for certain Alaskan species. The Office would also assist the FWS as it begins to prepare for the reauthorization of the MMPA.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

The Solicitor's Office anticipates providing legal services concerning the implementation of the ANILCA, focusing particularly on issues relating to the decertification of the State of Alaska subsistence program, oil and gas exploration, land bank and land exchange, wilderness uses, and comprehensive planning. Of concern will be the need to review and comment on any legislation which may be introduced as a result of the Section 1002 report to Congress on oil and gas exploration in the Arctic Wildlife Refuge. The Office will also assist the FWS in implementing the revised final Section 7 regulations to be issued in fiscal year 1986 and will review a significantly increased number of documents associated with the listing of endangered species (likely to number well over 200 documents). In addition, the Office anticipates participating in the negotiations for up to four Habitat Conservation Plans under Section 10(A) of the Endangered Species Act. Also, the Office will provide legal advice to the Assistant Secretary and the Directorate regarding: the enforcement and delineation of wetland easements and implementation of the Clean Water Act's Section 404 program; the implementation of the expected transfer of the Animal Damange Control Program to Agriculture; the implementation of natural resource damage assessment regulations and the implementation of natural resource cost recovery actions under CERCLA Section 107; access on wildlife refuges for the development of reserved mineral interests and the promulgation of regulations governing exploration and development of reserved mineral interests on refuges; the Clean Air Act; implementation of a negotiated Protocol Amendment to the Migratory Bird Treaty with Canada; the drafting of Section 22(g) regulations under the Alaska Native Claims Settlement Act; Indian hunting and fishing rights disputes; and civil penalty and forfeiture cases arising from the enforcement of federal wildlife laws. The Office will provide legal opinions to the Assistant Secretary for Fish and Wildlife and Parks and Directorate, review regulations for legal sufficiency, and defend the FWS in ongoing and new litigation.

NATIONAL PARK SERVICE
(including National Capital Region)
Client

BASE ACTIVITIES:

The National Park Service (NPS) routinely faces legal questions concerning archaeology and historic preservation, water rights, law enforcement, the Freedom of Information Act, park concessions, the Alaska Native Claims Settlement Act, the Alaska National Interest Lands Conservation Act, land acquisition, the Clean Air Act, general administrative law, personnel issues, tort claims, Superfund, and Coastal Zone Management Act and other legislation relating to conservation and wildlife.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. White House Area Demonstration Matters: The Office, together with the National Park Service and the United States Attorney's Office, has developed proposed regulations as a means of controlling the unsightly conditions in Lafayette Park caused by the accumulation and storage of property and large signs by long-term demonstrators. These proposed regulations govern structures and the size and number of signs in Lafayette Park. The Office expects to have final regulations published in February 1986.

2. Regulatory Reform: The Office played a major role in assisting the Department of Justice in drafting briefs and other court papers necessary to defend litigation on regulations regarding public use of the National Park System, as authorized by Congress in the legislation establishing these areas. These regulations provide a balanced approach and are designed to protect park resources. In addition, work was completed on regulations to implement the Archaeological Resource Protection Act, to implement Title XI of the Alaska Lands Act, and special regulations for national cemeteries. The Office was responsible for drafting the regulations, identifying legal options, and reviewing ancillary materials and written memoranda. Also, the Office has participated in revisions of regulations applicable to the National Capital Region.

3. Land Acquisition Policies: The Office provided oral and written legal advice in developing resource protection plans and land acquisition policies. This activity is part of the NPS initiative to develop more effective approaches and strategies to land acquisition, and required the Office to review policy statements, identify legal options, and assist the Justice Department in condemnation actions. In addition, the Office participated closely with the National Park Service in negotiating a complex land exchange along the Potomac River in Georgetown, Washington, D.C. This exchange has resulted in litigation which may continue into fiscal year 1987.

4. Alaska Subsistence Activities: The Alaska Lands Act requires a delicate balance by the Department between subsistence activities by Alaska Natives and the traditional role of the State in managing wildlife resources. The Office participated in providing the oral and written legal analysis in development of management strategies for resolving this difficult issue, and identified legal options to deal with issues that have arisen because Alaska's subsistence laws do not meet the federal legislative standards under ANILCA.

5. Ellis Island - Statue of Liberty: The Office provided legal review of the rehabilitation efforts for these two historic facilities. The work will continue through the Statue of Liberty Centennial in 1986 and the Ellis Island Centennial in 1992.

6. Implementation of the Coastal Barrier Resource Protection Act: The Office provided written and oral legal advice to the Department's Task Force on Coastal Barriers to implement this new legislation. Legal advice was provided on the scope of the upcoming Report to Congress, boundary modifications, and guidance to federal agencies on implementation of the Act.

7. Informatics v. Boeing: On February 19, 1985, Informatics General Corporation sued the Boeing Company alleging, *inter alia*, racketeering activity, fraud, and tortious contract interference. On March 18, 1985, the Boeing Company filed its answer. The Government was not joined in the suit. However, the parties subpoenaed National Park Service employees and former employees at a series of depositions where the Office provided representation. In September, the parties settled the case. However, an intended subcontractor to Informatics (RDW,Inc.) has filed a lawsuit along similar grounds. This Office will continue to represent the Department's interests in this matter.

8. Georgetown Waterfront: The Office participated in completing an exchange of land interests between private developers and the National Park Service on the Georgetown Waterfront in Washington, D.C. Under this exchange, the NPS relinquished a portion of a height restriction thereby permitting construction of a hotel and office building. In exchange, the National Park Service received scenic easements, park improvements and public access along the Potomac River. This exchange was challenged by certain citizen groups who favored acquisition of all private land along the waterfront. The Court of Appeals found that the National Park Service had the authority to enter into the exchange.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Reserved Water Rights: The Office will continue to provide legal counsel to NPS and assistance to the Department of Justice in the adjudication and negotiation of reserved water rights in Colorado, Wyoming add Montana. This litigation is time consuming and precedent setting.

2. Land Acquisition Policies: The Office will assist NPS in developing legal strategies for handling land acquisition cases and outstanding deficiencies on condemnation awards. The Office will review all condemnation cases before transmittal to the Department of Justice, provide oral advice on options available, and provide written and oral advice on settling condemnation cases for areas of the park system. The Office also provides legal assistance to implement the Secretary's land acquisition initiative.

3. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA): CERCLA, generally known as Superfund, creates a regulatory framework for cleaning up hazardous waste sites and establishes a fund to finance governmental clean-ups of those sites. The Solicitor's Office provides legal advice and assistance in order to facilitate the timely filing of claims against persons and corporations who are liable for hazardous waste releases

which injure natural resources on Interior administered lands. The initiation of these natural resource damage claims will require a significant level of work for the Office, such as the closure of two dumps operated by the city of New York in Gateway National Recreation Area. The Office is also defending actions brought against the client agencies as owners or operators of hazardous waste facilities, including the action brought by the city of New York over the Gateway garbage dumps. The Office will assist Justice in defending litigation brought against the Department involving the development of natural resource damage assessment regulations, and provide legal guidance on the procedural and substantive elements of these regulations. The Office will continue to provide legal support for this activity through fiscal year 1987.

4. Settlement of Alexandria Water Front Litigation: One of the priorities of the NPS is settlement of this long-standing litigation with the City and the private property owners. Most of the private tracts have been settled and a comprehensive settlement has been reached with the City. The Office has provided legal support to the Department of Justice in furthering settlement negotiations by providing oral and written legal advice on settlement options. This litigation will extend into fiscal year 1987.

5. Clean Air Act: The Office will continue to assist NPS by providing written and oral opinions on implementing its responsibilities under the Clean Air Act and regulatory revisions prepared by the Environmental Protection Agency, in order to protect park resources.

6. Concession Contracting: The NPS is examining alternative and more effective approaches to concession contracting and funding of visitor facilities. The Office will continue to modify concession contracts in order to provide a greater influx of funds to rehabilitate visitor facilities in the various parks, and implement the visitor facilities fund legislation. This activity includes assisting the NPS in its relations with the National Park Foundation in completing projects initiated under the Visitor Facility Fund legislation.

7. Legal Support for Historic Preservation: The Office will continue to draft and review regulations, prepare legal opinions, and provide oral advice on the Department's re-evaluation of the role the federal government plays in historic preservation, and alternative methods for determining whether properties are eligible to be listed on the National Register. The Office also provides counsel to the NPS on whether the renovation or rehabilitations of historic properties meets Secretarial standards and is entitled to a twenty-five percent tax credit.

8. Historic Building Leasing Program: The 1980 Amendments to the National Historic Preservation Act provide for leasing to the private sector of historic buildings administered by NPS. The Office will provide legal advice to NPS and develop regulations to implement this program.

9. Filene Center--Wolf Trap Park: The Office will continue to advise the NPS on various aspects of the construction contract. Construction and the concomitant legal issues are expected to be completed by the summer of 1987.

10. Subsistence Activities: The Alaska Lands Act requires monitoring by the Secretary of the State of Alaska's subsistence program. The Office will provide legal analysis and written opinions on the various issues associated with State compliance with the federal laws, and the need for the State to adopt laws meeting the federal legislative standards.

11. Transportation and Utility Systems in Alaska Parks: The Alaska National Interest Lands Conservation Act (ANILCA) provides special statutory standards for transportation and utility systems across federal lands in Alaska. The Office is drafting the regulations to implement this authority and will assist NPS in implementing these provisions.

12. Alaska Land Exchanges: The Office will continue to provide legal advice to NPS on the development and implementation of land exchanges in Alaska which affect areas of the National Park System.

13. Alaska-ANILCA: In addition to the specific projects identified above, the Office will continue to assist NPS in the development of ANILCA regulations and guidelines to implement for example, the Land Bank provisions, closure of parks to off-road vehicles, procedures for cabin permits, and commercial fishing activities.

14. Civil Penalties: The Office will develop a uniform civil penalty procedure under the Archeological Resource Protection Act for assessing civil penalties incurred by individuals who remove from federal property archeological resources, contrary to federal law. The Office is also responsible for handling the civil penalties proceedings before the Office of Hearings and Appeals.

15. Intellectual Property: The Office is continuing Service Mark review and registration of Marks developed by the National Park Service. The Office is also continuing to review copyright contracts for the Harpers Ferry Center.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

The Office will provide legal service concerning the implementation of the Alaska Lands Act; adjustment, modification, and implementation of new land protection and acquisition strategies; and implementation of a civil penalty and forfeiture program for the Archeological Resource Protection Act.

In addition, the Office will provide legal advice regarding regulatory reform, implementation of the Clean Air Act, strategies for resolving threats to parks, First Amendment activities, reserved water rights, and the Redwood National Park acquisition. This legal involvement will take the form of providing legal opinions at the Assistant Secretary for Fish and Wildlife and Parks and the National Park Service Director's request, reviewing of regulations, and representing NPS at hearings.

Finally, the Office will have a significantly increased workload associated with implementation of the Superfund through the development of natural resource damage assessment regulations, and the investigation and prosecution of those primarily responsible for hazardous waste sites on federal lands. The Office is also involved in 70 lawsuits involving the programs and activities of the National Park Service. The increased workload associated with protecting park areas from external threats will likely increase as a result of the Department's initiatives in these areas.

BUREAU OF INDIAN AFFAIRS
Client

BASE ACTIVITIES:

Natural Resources: The United States holds approximately 52 million acres of real estate in trust for Indian tribes and individual Indians. Under various treaties and statutes the federal government, through the Bureau of Indian Affairs (BIA), has the responsibility for overseeing the management of this land for the benefit of Indians. This includes the sale and acquisition of land, probate of Indian estates, approval of leases, permits and rights-of-way, mineral development activities, timber sales, and forestry and range management and management of irrigation projects. A wide variety of legal issues and problems arise as a result of these responsibilities, and a number become the subject of administrative appeals and litigation. In addition, Indian tribes and other Indian landowners request the Government to defend their trust resources and assert claims thereto in the courts of the United States. Other important activities in this area include the adjudication, quantification, and settlement of claims to water rights appurtenant to Indian lands; the enforcement, protection, and regulation of fishing and hunting rights reserved to Indian tribes by treaty; and the resolution of issues involving taxation, zoning and condemnation of Indian natural resources.

Social Programs: The major portion of the BIA budget goes toward the provision of social services to Indian people residing on or near Indian reservations. Such services include education, employment assistance, welfare, housing, investment management, and economic development. These programs are authorized under the general authority of the Snyder Act, but are also conducted in accordance with a variety of specific laws such as the Indian Financing Act, the Indian Self-Determination and Education Assistance Act, the Indian Education Amendments of 1978, and the Indian Judgment Fund Distribution Act. Some of these social services are provided directly to eligible Indian applicants, such as scholarships and small business loans, but many are part of programs contracted out to Indian tribal organizations pursuant to the Self-Determination Act. The BIA regularly requires legal services in the interpretation of applicable laws, the making and enforcement of contracts, the promulgation of rulemaking, the preparation of judgment fund distribution plans and legislation, debt collection, the handling of administrative appeals, and the defense of litigation.

Reservation and Tribal Status: Indian tribes are local governmental entities exercising authority over tribal members and, to a more limited extent, nonmembers of the tribe, performing civic functions, enacting legislation, assessing taxes, and enforcing their laws to widely varying degrees. That status gives rise to numerous legal questions relating to the extent of tribal authority, governmental procedures, including tribal elections, and law enforcement and regulatory jurisdiction. The BIA is often involved in the adoption, amendment, and implementation of tribal constitutions and charters pursuant to the Indian Reorganization Act and the Oklahoma Indian Welfare Act; the approval of tribal ordinances pursuant to federal and tribal law; the development of tribal membership rolls pursuant to specific federal laws; the funding and technical support of many governmental functions, such as tribal courts, police, and accounting and management systems pursuant to the grant authority in the Indian Self-Determination Act; the resolution of election disputes to determine the authorized officials of a tribe; and the determination of what Indian groups are entitled to acknowledgment of tribal governmental status. The above activities require a wide range of legal counsel, including representation of the BIA in litigation over governmental and jurisdictional authority. Further legal services are rendered in connection with interpretation of the Indian Civil Rights Act; implementation of the Alaska Native Claims Settlement Act and the Alaska National Interest Lands Conservation Act; contracting with Indian tribes pursuant to the Indian Child Welfare Act; enforcement of federal criminal laws in Indian country, including liquor control laws; and interpretation of various tax laws, such as the Tribal Governmental Tax Status Act.

During fiscal year 1987, effort will be concentrated on the resolution of several hundred pieces of existing litigation and the defense of new lawsuits against the government.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Papago Water Rights Settlement (P.L. 97-293): The settlement required that agreements among the United States, the Papago Tribe, the City of Tucson, the State of Arizona and others be executed by October 11, 1983. The Office took the lead for the Department in negotiating the contracts. That effort was successfully completed within the deadline. Implementation of those settlement contracts will continue during 1986 and 1987.

2. Ak-Chin Water Rights Settlement (P.L. 95-328): Legislation modifying a 1978 settlement of the Ak-Chin Indian Community's water rights (P.L. 95-328) was enacted after extensive multiparty negotiations led by the Department. The new Act identifies the source of water for the settlement and provides for its delivery by 1988. With assistance from the Solicitor's Office, the implementing contract has been negotiated and executed by the community and the Department.

3. Fort Peck-Montana Compact: The Assiniboine and Sioux Tribes of the Fort Peck Reservation and the State of Montana negotiated a compact to settle the reserved rights claims of the Tribes. The United States approved the Compact on May 13, 1985, after extensive negotiations by representatives of the Solicitor's Office with the State, Tribes, Corps of Engineers, Department of Energy and the Department of Justice. The Compact awards rights to use up to 1,050,000 acre-feet of water annually in the Missouri River watershed. This model settlement involves no direct costs on the part of the federal government. Proposed legislation to implement tribal water marketing authority is anticipated in the 99th Congress. The Tribe also will be submitting a proposed water code for approval.

4. Kerr Project, Montana: The Flathead Reservation Indian Tribes, the Montana Power Company, the Federal Energy Regulatory Commission (FERC) and the Department negotiated an agreement to relicense the Kerr hydroelectric project. The negotiations, facilitated by the Solicitor's Office, resulted in an agreement which is the first to make an Indian tribe a licensee of a FERC project. The project is located on the Flathead Reservation. It was originally licensed in 1930. FERC has approved the settlement. Fish and Wildlife studies under Section 4(e) of the Federal Power Act will continue in fiscal years 1986 and 1987.

5. Bowhead Whales: To protect the subsistence hunting rights of Alaska Natives, the Office participated as part of the United States delegation to the International Whaling Convention in England. Further participation is anticipated in fiscal year 1987 in connection with further study of aboriginal whaling.

6. Indian Fishing Rights: (a) The Office was the legal advisor to the Interior Department's representative in negotiations with Canada resulting in a treaty governing the interception of Pacific salmon that have spawned in the waters of one country by the fishing fleet of the other country. The Office is continuing as the legal advisor to the Department in establishing the Pacific Salmon Commission which will implement the treaty.

(b) The Office continued to be heavily involved in significant litigation over Indian treaty rights in the Michigan waters of the Great Lakes in United States v. Michigan, including several attempts to settle the complex issues. The settlement efforts were only partially successful necessitating a trial in May of this year, but many issues were resolved when the district judge entered an order effectuating the earlier proposed settlement.

(c) In United States v. Washington significant litigation and negotiations involving the treaty with Canada (see above) continued over rights which may exist under the Indian treaties and the extent to which the harvest of fish in the ocean affects the Indian/non-Indian allocation under earlier court orders.

7. Tribal Taxation: The Office defended litigation challenging the Secretary's approval of tax ordinances and litigation challenging the authority of tribes to tax without the Secretary's approval in cases where there is no tribal law requiring approval. The U.S. Supreme Court upheld the tribal taxing authority on April 16, 1985, in Kerr-McGee v. Navajo Tribe.

8. Indian Land Consolidation Act of 1982: Though the Department was successful in defending the constitutionality of Section 207 at the district court level, the Eighth Circuit Court of Appeals reversed the decision. The Office is continuing to defend this important piece of legislation. The Office also worked with the last Congress to draft legislative amendments which were passed at the close of the session. Should we ultimately succeed in defending the Act's constitutionality, the Office must also work with the BIA to develop implementing regulations and guidance.

9. Rights-of-Way Across Indian Lands: The Office worked with BIA to develop revised regulations implementing the omnibus rights-of-way Act of 1948, and to remove confusing and conflicting regulatory requirements. The Office also was successful in negotiating settlement to a challenge to the BIA's regulations requiring tribal consent in Transwestern Pipeline v. Clark. Similar litigation involving railroads and utility lines was filed in several other states.

10. Indian Education: The Office assisted the Department of Justice in its successful defense in federal district court of the regulatory one-quarter degree Indian blood requirement for eligibility to receive BIA higher education grants. Administration of Title XI of the Education Amendments of 1978 continued to involve litigation and otherwise required the performance of extensive legal service. Legal services were also required in transferring BIA schools in Alaska to the State of Alaska for operation.

11. Forced Fee Patent Cases: The Office assisted the Department of Justice in successfully defending in the Court of Appeals numerous suits claiming that Indian allotments were illegally removed from trust status. In two separate rulings involving consolidated cases, the court upheld dismissals on both procedural and substantive grounds. There are approximately 9,500 forced fee patent cases nationwide.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Defending Litigation in Light of the Mitchell II Decision: A Supreme Court decision in June 1983, United States v. Mitchell (Mitchell II), opened the door to many potential suits in the U.S. Claims Court by Indians alleging that the BIA has breached its statutory trust responsibilities in connection with the management of Indian-owned natural resources. Several such suits have already been filed. Hence, this Office will be faced with an increased burden of defending such litigation.

2. Indian Education: Preparation and review of regulations for Indian adult education, Indian higher education grants for Special Education, and for grants to tribally controlled community colleges will continue to require much legal advice. Regulations will be drafted for new school starts and school closures, bilingual education and amendment of the funding formulas for BIA operated and funded schools. Regulations for school boards and student rights will be worked on. Regulations governing attendance in BIA schools and payment of tuition by certain students in those schools will be amended.

3. Montana Indian Water Rights Negotiations: State legislation provides for a negotiation process to settle Indian and other federal reserved water rights. A number of Montana Tribes elected to negotiate and the Fort Peck Tribes have successfully made a compact approved by all parties on May 15, 1985. The Office expects an increase in this activity to continue during fiscal year 1986, given the success of the Fort Peck settlement and the growing interest of other Tribes in negotiation.

4. Big Horn River Adjudication, Wyoming: The Office will continue to pursue negotiated water rights settlements in Wyoming. The Shoshone and Arapaho Tribes of the Wind River Reservation, Wyoming, and the State have requested the assistance of the Department in post-trial settlement negotiations. The reserved water rights of the Tribes are being adjudicated in a Wyoming court. Preliminary rulings have persuaded the State to initiate settlement discussions. The State has agreed in principle to make a financial contribution to a settlement. The Department has been asked to give its views on cost sharing in a settlement. Irrespective of settlement progress, a final decree entered in May of 1985 will be appealed to the Wyoming Supreme Court by some or all parties.

5. New Mexico Water Cases: The Office remains very much involved in the resolution of water cases in New Mexico. A decision by the federal district court was issued in New Mexico v. Aamodt regarding the water rights of four Indian Pueblos. There are a number of novel legal issues related to Spanish and Mexican sovereignty which will result in precedent setting decisions for virtually all Pueblos in New Mexico. The district court's decision will be appealed to the Tenth Circuit and the Supreme Court. This will be at least a three-year process. When final, the decision in this case is expected to

precipitate numerous water rights settlement negotiations throughout the State. Another Pueblo water rights case, United States v. Abousleman, will go to trial within two years, while in four others, stays have been lifted and trial phases scheduled to be completed within four years. In the Mescalero Apaches' water rights case, New Mexico v. Lewis, trial will begin sometime during 1986.

6. Indian Water Rights Negotiations: In addition to the Indian water rights negotiations mentioned above, there are pending negotiations involving the Ute Mountain Ute and Southern Ute Indian Tribes in southwest Colorado; Mission Indian Bands in Northern San Diego County; the Jicarilla Apache Tribe in northern New Mexico and Indian tribes that claim water in central Arizona. Increased activity is expected for all of these cases in fiscal year 1986. The Office will continue to participate in any negotiations or litigation.

7. Pyramid Lake Paiute Tribe Water Rights Negotiations: After more than two years of negotiations involving numerous lawsuits over water supplies relating to fishery maintenance, irrigation, hydropower generation and municipal uses, there has been progress toward an acceptable settlement with state and private representatives. Settlement legislation was introduced on August 1, 1985 and is expected to be considered in the Department in fiscal year 1986. If it is enacted, the Office expects to participate in the implementation of the settlement which will consume many months. If the settlement fails, an upsurge in litigation is expected.

8. Gaming: The Office has assisted the Secretary and the BIA in examining the ramifications of bingo and other gambling on Indian reservations and determining the role of the Bureau in addressing problems posed by reservation bingo and gambling operations. Several bills relating to gambling have been introduced in the 99th Congress. Litigation between the tribes and their management companies has involved the Department in several cases where the Department has approved or disapproved management contracts. On August 6, 1985, the Secretary committed the Department to review all tribal gambling management contracts. This Office will assist in the implementation of that decision. Much more litigation is anticipated.

9. Indian Mineral Resources Development: Final promulgation of rules to implement the Indian Mineral Development Act of 1982 is imminent. More extensive rulemaking will follow. Novel mineral venture agreements have required and will continue to require review by this Office prior to approval by the BIA. The influx of novel agreements should continue to require considerable legal resources and litigation involving oil and gas and mineral development issues. The problems identified in this area will necessitate regulatory reform measures also requiring considerable legal efforts into fiscal year 1987.

10. Fishing Rights: Another round of negotiations with Canada has occurred on a treaty governing interception of Pacific salmon. The Office is continuing as the legal advisor to the Department. So far, agreement has been reached on the text of the treaty and its annexes. The Office anticipates further settlement negotiations or litigation in United States v. Washington over the accounting for fish caught. Substantial claims to off-reservation hunting and inland fishing in Michigan, Wisconsin, and Minnesota as a result of LCO v. Voigt have been asserted. The State of Wisconsin sought unsuccessfully to involve the United States as a party.

11. Ute Tribe of the Uintah and Ouray Reservation, Utah--Central Utah Project (CUP): The CUP was originally designed to serve Indians and non-Indians in Utah. In 1965 the Utes agreed to defer use of their claimed water rights in aid of CUP construction. Since then much of the development which has occurred has been for the benefit of non-Indians. In the absence of an agreement on compensation for the deferral of Indian water use, the Tribe has not granted a right-of-way on the reservation for construction of the Upalco Unit works which was scheduled to begin in July 1984. Tribal and federal officials began meeting in June 1984 to discuss this matter. The Office will continue to provide legal services as the Department continues to negotiate with the Tribe to resolve this issue which is integral to CUP funding and development.

12. Indian Self-Determination: The April 3, 1984, amendment (P.L. 98-250) of the Indian Self-Determination Act permits the use of a grant agreement or cooperative agreement in lieu of a contract where mutually agreed by the Secretary of the Interior and the tribal organization involved. In addition to the substantial legal services which will be provided for revision of the extensive Indian Self-Determination regulations, which is still progressing, heavy demands for legal advice can be expected once grants and cooperative agreements are employed instead of contracts in Self-Determination activities.

The recent application of the Indian Self-Determination Act to construction, and the revival of the Buy Indian Act road construction contracting under the Surface Transportation Act Amendments of 1982 are generating new legal problems.

Further, the large volume of legal problems associated with the Small Business Act and its Section 8(a) minority preference and with the various Indian preferences in procurement contracting is expected to continue, and will probably increase. Additional litigation may be expected.

13. Allotment Claims: In addition to the successful defense of the forced fee patent suits mentioned above, petitions for rehearing filed by the government in two other cases pending before the Eighth Circuit were denied. One case, known as a Secretarial transfer claim, involves the sale of allotments by the Department without the consent of all beneficial owners. Over 1,400 Secretarial transfer claims may exist nationwide. The Office has recommended the filing of a petition for certiorari with the Supreme Court. The other case involves former allotments on the White Earth Reservation in Minnesota now owned by third parties, and whether they may be subject to Indian claims because such allotments were sold without Secretarial approval or the estates of the former Indian owners were improperly probated by state courts. Legislation resolving all White Earth Allotment Claims was introduced last Congress but failed to pass, and was introduced again in the summer of 1985. This Office will assist the BIA in determining whether to support a legislative resolution of the White Earth claims or to continue to litigate and let the courts determine the merits of these claims.

14. Social Services: Extensive legal services are being provided in connection with the preparation and implementation of regulations to define more precisely the eligibility of Indians to receive general assistance from BIA. Revision of the regulations to provide for ratable reduction in general assistance payments resulted in litigation in which the Office assisted in

successful defense of the new regulations in July 1985. Further litigation can be expected from current action to revise the regulations further to define eligibility for general assistance more precisely.

15. Short et al. v. United States: This twenty-two year-old litigation accelerated its consumption of legal services in fiscal year 1985 as concerted efforts to bring it to a conclusion are being made. At issue is the right of some 3,800 individuals to participate in the income from timber sales made on the Hoopa Valley Indian Reservation since 1955.

16. Acknowledgement of Tribal Status: Several years ago a number of groups of Indian descendants seeking to establish their existence as Indian tribes received research grants from another federal agency. The results of the work done under those grants are now coming in and substantial time will be spent by this Office assisting the Bureau in evaluating those petitions.

17. Alaska Natives: The Secretary intends to submit to Congress a report summarizing actions taken pursuant to the Alaska Native Claims Settlement Act of 1971, providing information on the status of Alaska Natives, and making recommendations for any appropriate action. Attorneys from this Office have been substantially involved in assisting in the development of the Secretary's recommendations and the preparation of the final report.

18. FERC Proceedings: The Office will continue to participate as intervenor on behalf of the Secretary for various Indian tribes in a number of proceedings before the Federal Energy Regulatory Commission regarding fishing, water and water power issues, including the licensing proceeding for the Kerr Hydroelectric Project on the Flathead Reservation in Montana. The Office is also representing the Secretary in the proceedings governing the Potter Valley Project in northern California.

19. Indian Reservation Economies: The final report in November 1984 of the President's Commission on Indian Reservation Economies includes recommendations on legislation, rulemaking, and policy initiatives which is expected to be a focus of activity through fiscal year 1986. It is anticipated that the Office will be called upon to provide legal assistance in the Department's implementation of the Commission's recommendations.

20. Navajo-Hopi Settlement Act: The Department is involved in four major lawsuits involving the Hopi land claims and implementation of the Settlement Act, and in three lawsuits recently filed by the Hopis in the Claims Court. Defense of the litigation, advice to the BIA in implementing the Act, and yearly processing of hundreds of grazing permit appeals involves daily action by the Solicitor's Office. The legislative deadline for completing relocation runs out in June 1986. The Office will be working with the BIA to get a legislative extension.

21. Indian Royalty Management Problems: The Office is involved in defending the Department from numerous suits alleging mismanagement of Indian oil and gas royalty revenues. The Office will continue to assist the Bureau of Indian Affairs, Bureau of Land Management and Minerals Management Service to develop defensible programs which meet the requirements of the Federal Oil and Gas Royalty Management Act of 1982 and assure that Indian mineral owners receive prompt and accurate royalty payments.

22. Indian Land Claims: The Office will continue working with affected tribes, congressional delegations and cities and states to help resolve long-standing land claims through the legislative process. Several examples are St. Regis Mohawk, Seneca-Cayuga and Oneida land claims in New York, and the Puyallup land claim in Washington.

23. Indian Trust Funds: In 1983 the Assistant Secretary for Indian Affairs mandated a full review of BIA handling and investment of Indian trust funds. Changes initiated and being prepared as a result of the review in the administration of these funds have caused and are causing increased requests from BIA for legal advice. Especially heavy demands for legal advice are being anticipated in connection with the initiation and operation of expected changes in the management and investment of Indian trust funds.

24. Short et al. v. United States: It is expected that heavy time demands into fiscal year 1986 will continue to be made by this litigation, which affects the administration of the Hoopa Valley Reservation and, in that regard, raises many legal issues to resolve requiring significant legal services. Renewed settlement negotiations began in December 1985. An increase in efforts to achieve a legislative solution may also develop which would require further legal services from this Office.

25. Program Regulation: In addition to the revision of the Indian Self-Determination regulations and the preparation or revision of Education regulations, major new BIA regulations and revisions and amendments of old ones are in various stages of preparation and review. Promulgating these regulations has required a high level of service by the Office since fiscal year 1985, and this level of activity will continue in fiscal year 1987.

26. Alaska Natives: It is anticipated that several of the attorneys in the Office will spend substantial time counseling on issues raised by the Secretary's draft report pursuant to Section 23 of the Alaska Native Claims Settlement Act of 1971 and current proposals by Alaska Natives to amend the Act.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Lands and Minerals: Rights-of-way and mineral development problems requiring legal assistance are projected to continue, as well as Mitchell II type actions by Indians alleging that the BIA has breached its statutory trust responsibility in connection with the management of Indian-owned natural resources.

2. Indian Water Rights: Activities discussed for fiscal years 1985 and 1986 will continue through fiscal year 1987. The Office will continue to function as primary staff to the Department's water policy advisory group and as a member of the teams to negotiate Indian water disputes. To the extent litigation is pursued, the Office will continue to review briefs and pleadings and assist the Department of Justice with preparing factual material in support of Indian water claims.

3. Other Activities: As the activities discussed above extend through fiscal year 1987, the Office will continue to meet the need for increasingly complex legal advice and services in support of the Secretary and BIA as they carry out

their responsibilities to preserve and manage Indian resources and deliver a wide range of social services to Indian people as they seek to achieve their goals of strengthening tribal governments and reservation economies.

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BUREAU OF LAND MANAGEMENT
(Client)

BASIC ACTIVITIES:

The Bureau of Land Management (BLM) is concerned with the implementation of a host of laws governing public land and resource management and disposal. Chief among them are the following acts: the Mineral Leasing Act, including the provisions for oil and gas pipeline rights-of-way, the Mining Law, the Taylor Grazing Act, the Federal Land Policy and Management Act (FLPMA), the Alaska National Interest Lands Conservation Act (ANILCA), the Federal Oil and Gas Royalty Management Act (FOGRMA), and the Alaska Native Claims Settlement Act (ANCSA). Major fields of legal advice and review include leasing and regulation of Federal energy and mineral resources, such as oil and gas, coal, oil shale and geothermal resources, withdrawals and conveyances of public lands, public land management issues such as land use planning and wilderness study, and renewable resource programs such as timber and grazing.

FY 1983. MAJOR LEGAL PROJECTS COMPLETED:

1. Coal Leasing Program Review: The Office assisted BLM in the preparation of the draft and final supplements to the 1979 coal programmatic environmental impact statement (EIS). This assistance included analysis of comments on the draft EIS as well as advice on the formulation of changes to the program.

2. Coal "Preference Right" Leasing: The Office assisted BLM in the negotiation over proper compliance with the National Environmental Policy Act of 1969 in the processing of preference right coal lease applications. The completion of these negotiations will help to prevent further protracted litigation over the procedures and standards governing the 170 or so pending applications.

3. Alaska Lands: The Office provided legal service to the BLM in its program for transfer and disposition of public land in Alaska, including conveyances to the State of Alaska, Alaska Native corporations and individual Natives qualifying for Native allotments.

4. Eastern Land Titles and Minerals Program: The Solicitor's Office, through the Branch of Land Titles and Eastern Minerals, provided a wide range of legal advice to support the Department's mineral leasing in 31 eastern states and its land title activities for all states and most Federal landholding agencies.

5. Milwaukee Railroad Rights-of-Way: The Office requested the Department of Justice to institute litigation to recover certain portions of rights-of-way across public lands in Montana which have been abandoned by the Chicago, Milwaukee, St. Paul and Pacific Railroad Company. The railroad is bankrupt and is being reorganized in the U.S. District Court for the Northern District of Illinois. In some instances, the railroad had purported to convey the abandoned rights-of-way to third parties. The Office provided legal advice in connection with BLM's efforts to obtain reconveyances, several were [illegible].

6. *Railroad In-Lieu Selection:* The Office assisted the Department of Justice in defending litigation seeking title to almost 15,000 acres of land in Prescott National Forest, Arizona. (*Santa Fe Pacific Railroad Company, Perrin Properties, Inc. v. Secretary of the Interior*). Plaintiffs seek title as innocent purchasers for value who bought the lands from the original railroad grantee. The District Court upheld the Department's decision that the claims are barred by failure to record them. Plaintiffs appealed and the Office assisted the Department of Justice in defending the suit. Decision from appellate court awaited.

7. *Exxon's La Barge Gas Pipeline Project:* The Office furnished advice to BLM regarding the granting of rights-of-way for this project. An opinion was rendered that Section 28 of the Mineral Leasing Act is the appropriate authority for gas pipeline rights-of-way, rather than Title V of FLPMA. Exxon filed appeals before the Interior Board of Land Appeals following the issuance of rights-of-way for its sour gas line claiming that Section 28 was the incorrect authority. The Office defended the appeals; the Board has not yet ruled.

8. *Timber Contract Extension:* The Office provided advice to BLM on implementation of the Federal Timber Contract Payment Modification Act which authorizes BLM to allow purchasers of federally owned timber, upon payment of a buyout charge, to return certain unfulfilled timber contracts to the federal government.

9. *Combined Hydrocarbon Leases:* BLM completed processing about twenty-five percent of the approximately 125 conversion applications in fiscal year 1985. This process required advice from the Office in drafting these decisions as well as on issues that will arise in "tar sand" lease management.

10. *Right-of-way Valuations:* BLM is reevaluating the method by which it assesses rents for right-of-way for pipelines. Its charges must assure receipt of fair market value. This review followed the filing of an action protesting valuations by Northwest Pipeline Company before the Interior Board of Land Appeals. A five-state BLM Forest Service Review Committee was formed in fiscal year 1984 and the Office provided the committee with advice throughout fiscal year 1985. Proposed regulations were reviewed. Litigation on these issues is a possibility.

11. *Hazardous Waste Statutory Implementation:* The Resource Conservation and Recovery Act of 1976 (RCRA) amended the Solid Waste Disposal Act. In 1984 Congress passed the Hazardous and Solid Waste Amendments (HSWA) which amended RCRA. RCRA regulates the disposal of hazardous wastes and provides a permitting system for generators and transporters of hazardous wastes. The HSWA was drafted to minimize or eliminate reliance on land disposal of hazardous wastes and to "avoid substantial risk to human health and the environment, and land disposal . . . should be the least favored method for managing hazardous wastes." The Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) provides for liability, compensation, cleanup, and emergency response for hazardous substances released into the environment, including the cleanup of inactive hazardous waste sites on BLM lands. The Office also advised BLM in support of its effort to do

preliminary natural resource damage assessments required by CERCLA and to institute the biannual surveys of public lands required by the amendments to RCRA. Ongoing implementation activities will continue into fiscal year 1986.

12. *North Dakota v. Block*: This case involves title to portions of the bed of the Little Missouri River. The Supreme Court ruled in April 1983 that the statute of limitations in the Quiet Title Act applies to suits against the United States brought by states as well as private parties, affirming Interior's position. On remand, the district court applied the Act adversely to the United States. An appeal to the Eighth Circuit was filed, briefed, and argued.

13. *Trans-Alaska Gas Pipeline*: The proponents of the Yukon-Pacific Gas Pipeline, a proposal designed to transport natural gas from Prudhoe Bay, Alaska, to Cook Inlet, filed an application for a pipeline right-of-way in May 1984. The Office continued to advise on the application.

14. *Coal Exchanges*: Suits (*National Coal Association, et al. v. Clark, et al.* and *Northern Plains Resource Council v. Clark*) were filed challenging the Meridian Coal Exchange in Montana and the Corral Canyon Exchange in Wyoming. The coal industry alleged that exchanges of fee title in the checkerboard areas with the mining affiliates of railroad companies violated the Federal Land Policy Management Act, the National Environmental Protection Act and the Mineral Leasing Act. One suit (Corral Canyon exchange) is pending in the Court of Appeals for the District of Columbia. Two others (Meridian) have been dismissed in the District of Columbia and reinstituted in Montana, where they are pending. The Office assisted the Department of Justice in defending the suits.

15. *Rights-of-Way Terms and Conditions Study Group*: BLM has assembled a study group composed of realty specialists, archaeologists, managers and others involved in the right-of-way issuance process. The group is studying BLM manual provisions which suggest stipulations to be added to grants specifying terms and conditions, and will be assessing the impact of *Montana v. Johnson*, a Ninth Circuit decision holding that a state may impose stricter standards on federal right-of-way grantees than federal law requires. The objective of this study is to be more uniform and consistent in requirements among the states. The Solicitor's Office provided advice and assistance to this group during fiscal year 1985.

16. *Mining Law Issues*: In fiscal year 1985, the Supreme Court decided that the mining claim recordation statute (Section 314 of FLPMA) is constitutional in *Locke v. U.S.* The Office rendered legal assistance in this case and in the resumption of the mining claim recordation program which had been suspended while the Supreme Court considered the *Locke* case. A half dozen other lawsuits that awaited *Locke* were activated and readied for court decisions.

17. *Intermountain Power Project (IPP)*: A suit (*Citizens for a Better Henderson, Yellow Rose Ltd., et al. v. Watt, et al.*) filed in May 1983, alleged noncompliance with the National Environmental Policy Act and the Federal Land Policy Management Act in conjunction with the Intermountain Power Project. The litigation specifically attacked the routing of two 500 kv transmission lines over public lands through southern Nevada, and the adequacy of the discussion of adverse health effects. The district court affirmed the Department's

actions in all respects in June 1984. An appeal was filed and the decision was affirmed by the Ninth Circuit. Additional work will depend upon the decision by plaintiffs as to whether to seek certiorari.

18. Elk Hills Naval Petroleum Reserve: In December 1984 the Solicitor signed a major opinion on California's interest in acquiring the school sections in Elk Hills by revocation of the reservation, or in acquiring equal value in indemnity lands. The Office advised BLM on possible litigation on the issue, and about the general applicability of the opinion's conclusions. The Office has also responded to inquiries from California. Litigation by the State is possible.

19. Southwest Research and Information Center, Inc. v. U.S. Dept. of Energy et al: This case challenged the withdrawal of public lands made by Interior for construction of the permanent facilities at Los Medanos, New Mexico, needed for experimental operations relative to the deep burial in bedded salt of defense-generated, radioactive nuclear waste. Final judgment in favor of the federal defendants was entered on October 1, 1984. Together with the Department of Energy (DOE), the Office assisted BLM in preparing withdrawal legislation authorizing the use of the site by DOE for actual emplacement of the radioactive waste.

20. Disposal of Surface Estates: Major opinions were prepared on the authority of the Secretary to dispose of the surface estate to public lands when the underlying minerals estate is subject to outstanding mining claims. In one case involving Exxon molybdenum mining in Nevada, the proposed buyer of the surface also held the outstanding claims. Based upon the opinion, BLM did not sell the surface. In the remaining instances the identity of the parties differed.

21. Snake River Omitted Land Litigation, United States v. Albrecht, Civil No. C79-113K (D. Wyo.): As a result of omissions from the original surveys done between 1893 and 1907 the government filed suit seeking quiet title to roughly 3,200 acres of land comprised mainly of islands located in the Snake River. After trial, the district court ruled that title to most of the lands in dispute should be quieted in the riparian landowners. Settlement negotiations with specific defendants are being conducted on a case-by-case basis. The court entered final judgment in favor of the defendant landowners in April 1985. This Office recommended to the Department of Justice that an appeal be taken to the U.S. Court of Appeals for the Tenth Circuit. It is anticipated that litigation will extend into fiscal year 1986 and perhaps fiscal year 1987.

22. Withdrawal Review: Legal advice was provided to BLM in connection with its conduct of the FLPMA 204(l) withdrawal review. Also, the Office assisted BLM in formulating its response to criticism leveled against the Bureau's actions by the National Wildlife Federation. Litigation involving 204(l), 204(a), and 202(d) by the Federation has commenced in the D.C. District Court.

23. Military Use of the Public Lands: Advice was furnished to BLM concerning how the military may lawfully use and occupy the public lands not previously set aside for military purposes. Assistance was provided in the defense of several suits challenging the military's use of the public lands as buffer zones, communication sites, and target areas in connection with aerial combat training.

24. United States v. Dann; Western Shoshone Land Claims: Following the Supreme Court decision in U.S. v. Dann the Court ruled that the appellees did not have tribal aboriginal title to its claimed lands in Nevada. The Office provided advice to the BLM on implementing the decision vis-a-vis the Western Shoshone. Formation of a new reservation is under consideration.

25. BLM Rights-of-Way Manual: The Office assisted BLM in writing new Bureau Manual sections setting out policies and procedures for processing right-of-way applications and administering rights-of-way after issuance of permits and grants. Accompanying handbooks were also developed. These manuals and handbooks relate to rights-of-way under Section 28 of the Minerals Leasing Act (oil and gas pipelines), Title V of the Federal Land Policy and Management Act (all rights-of-way other than for oil and gas pipelines), and still-extant pre-FLPMA rights-of-way.

26. Managing Existing Coal Leases: This Office issued several opinions on various aspects of coal lease management, such as diligence and modifications. The Office also assisted BLM in the preparation of proposed and final guidelines for diligence (section 3 of the Federal Coal Leasing Amendments Act (FCLAA) which takes effect in August 1986), logical mining units, and proposed guidelines for royalty reductions. In connection with section 3 of the FCLAA, the Office issued Opinion M-36951 (2-12-85) on a number of issues involved in administration of the section.

27. Coal Leasing Legislation: The Office assisted BLM in the preparation of testimony on the various bills proposing changes to the coal leasing provisions of the Mineral Leasing Act. The Office also provided assistance in drafting service and analyzed draft bills as well as bills which have already been introduced.

28. Competitive Oil and Gas Leasing: The Office assisted BLM in the delineation of known geologic structures (KGS) in response to the decision of the Eighth Circuit Court of Appeals in the Ft. Chaffee case, and defended numerous administrative appeals by noncompetitive lease applicants challenging KGS's expansion under the new procedures.

29. Noncompetitive Oil and Gas Leasing: The Office assisted BLM in assuring that its regulations and policies for processing simultaneous oil and gas lease applications reflect the divergent holdings of the Tenth and D.C. Circuit Courts of Appeals regarding the proper grounds for rejection.

30. Oil and Gas Leasing Legislation: The Office assisted BLM in preparing testimony on the various bills to amend the oil and gas leasing provisions of the Mineral Leasing Act, providing drafting services and analyzing the impact of various draft bills under discussion.

31. Oil and Gas Leasing and the National Environmental Policy Act: This Office assisted BLM in responding to the Montana and Wyoming District Courts' decisions in March and July 1985 (Conner v. Burford and Park County Resource Council) on proper compliance with the National Environmental Policy Act of 1969 when issuing oil and gas leases and approving drilling. The Conner decision appealed in fiscal year 1985, raised several questions concerning

what environmental considerations require preparation of an environmental impact statement (EIS) and use of lease stipulations as alternatives to preparation of an EIS.

32. Implementation of the Alaska Railroad Transfer Act: This Act required significant activity by the Office in three areas: (1) providing legal advice to the Department in settling Native claims to lands transferred to the State under the Act; (2) providing legal advice to BLM in determining the "smallest practicable tract actually used" by the railroad, under Section 3(e) of ANCSA; and (3) assisting the Department of Justice in defending the title of the United States to lands involved in the transfer. The railroad was successfully transferred to the State of Alaska on January 5, 1985.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Coal Leasing Program Decisions. The Department published its supplement to the coal leasing program EIS, and the Secretary will make a complex series of program decisions to maintain or change the program in a host of particulars. The decision meeting is scheduled for February 6, 1986. Comments on the Draft and following the Final Supplement threatened programmatic litigation that would occur in fiscal year 1986 if the Secretary's decisions do not accommodate these criticisms.

2. Coal Leasing Program--Lease Management: This Office will advise BLM during the completion of rule revisions and guideline issuance to put the revised program in place, whether or not the regional coal leasing system begins in fiscal year 1986. The Office will continue to defend the several dozen challenges to BLM's readjustment of the financial and development terms of coal leases issued prior to the Federal Coal Leasing Amendments Act of 1976 in light of three district court decisions rendered in fiscal year 1985, and the appeal pending on one. In the soft coal market, operations problems on existing leases are on the increase.

3. Coal--Section 3 Implementation. Section 3 of the Federal Coal Leasing Act Amendments of 1976 will become effective January 1, 1987, if it is not repealed or modified. The holders of 10-year old nonproducing coal leases and their affiliates will be ineligible for onshore mineral leases. This prohibition will vastly complicate lease issuance for all Mineral Leasing Act leases, as the qualifications of any lease applicant (or its affiliates) who holds a nonproducing coal lease are adjudicated or challenged by second applicants or next high bidders, and as BLM rejects first filed lease applications or high bids for section 3 reasons. The Office estimates a spate of BLM opinion requests seeking guidance in determining whether certain companies are affiliates of lease-holders, and how certain lease title transactions affect the lessee's disqualification.

4. Oil and Gas Leasing: Possible changes in the federal onshore oil and gas leasing system will continue to require legal advice. Congressional dynamics indicate 1986 should see serious consideration of bills. This Office will analyze bills, review testimony and reports, and advise on implementation of any laws which are enacted.

5. NEPA and Oil and Gas Leasing. In 1985 BLM won and lost some major cases on NEPA compliance. Conner deals with nearly 1 million acres of non-wilderness national forest land. Appeals in the Conner v. Burford and Park County Resources Council cases will be briefed in fiscal year 1986, Conner in late January. The revised EIS on Getty's Little Granite Creek well, and some similar studies of proposed drilling on pre-FLPMA leases in wilderness study areas, will be completed. In addition, the first BLM resource management plans, in which oil and gas related planning (and NEPA coverage) is done, will be completed. Fiscal year 1986 will involve much legal work on adequate environmental study in onshore oil and gas leasing and operations.

6. Trans-Alaska Pipeline System and Alaska Natural Gas Transportation System: Legal advice is being provided regarding the Trans-Alaska Pipeline System (TAPS) and the Alaska Natural Gas Transportation System (ANGTS). Legal issues include enforcement by the BLM of the terms and conditions in the right-of-way grants and other authorizations issued to the TAPS companies, conflicts and issues arising from the interface of TAPS with the proposed ANGTS system. Legal advice concerns applications, permits, and authorizations for use of public lands. Relationships between BLM, the State of Alaska, the Office of the Federal Inspector, and the Yukon-Pacific Pipeline are also involved.

7. Eastern Land Titles and Minerals Programs: The Office will continue to provide BLM's Eastern States Office with legal service for its mineral leasing and land title activities and related land use and resource protection programs.

8. Solid Mineral Leasing: This Office has assisted BLM in analysis of public comments and preparation of final reorganized and revised rules for phosphate, potash, sodium and hardrock leasing, which will be published as final in fiscal year 1986. The 300 page document is now in our office for approval.

9. Oil and Gas Leasing on Acquired Lands in Military Reservations: The Office will continue to provide legal assistance to BLM's Eastern States Office as acquired military lands are made available for leasing. The Office is involved in discussions with the military regarding consent and management stipulations.

10. Mineral Dormancy Statutes: Several states have adopted mineral dormancy statutes which cause several mineral estates to expire and re-vest with the surface estate. In many instances, the state forfeiture statute operates to vest mineral estates in the United States as surface owner prior to the date established for the mineral reservation in the original conveyance to the United States. As the United States begins to issue mineral leases for these interests, owners of forfeited estates are expected to sue the government. Approximately four to five such leases are processed each month for Michigan. In Louisiana, a legal issue remains whether the State's forfeiture statute applies when the United States is the surface owner. The Solicitor's Office currently has one case in litigation and expects several more in the next two years. The Department argues that the United States should receive the same benefit of the forfeiture statute as would any other land owner.

11. Mining Law Administration. Three aspects of the mining law are generating significant work: oil shale mining claims; state regulation of mining claimants' operations; and hazardous material liability and usage in plans of

operations. With respect to the first, fiscal year 1986 will see the prosecution of the appeal of the leading three oil shale mining claim contests, decided adversely to BLM in May and November 1985. On the second, the Ninth Circuit's preemption decision in Granite Rock has been appealed to the Supreme Court, and has already altered federal-state relations in approving plans of operations on mining claims. On the third, BLM's potential RCRA and CERCLA liability for improper use and disposal of hazardous waste by mining claimants has led to bond enforcement, disapproval of plans of operations that have been appealed, and related legal advice and proceedings involving our Sacramento, Denver and Washington offices.

12. Allodial Titles: Several agricultural publications have contained articles advising the public that mortgage foreclosures and tax sales may be prevented through the recordation of documents called "declaration of land patents." The BLM has received hundreds of inquiries relating to this practice. The Solicitor's Office will continue to respond to public inquiry and work in cooperation with other federal agencies, federal and state courts, private attorneys and other entities who have become involved in litigation over this practice.

13. O'Konski Act Claims: Due to its increased activity involving the survey of omitted lands in Wisconsin, BLM is receiving large numbers of claims filed under the O'Konski Act. BLM anticipates heavy reliance upon this Office for title opinions and guidance relating to the processing of the 25 case backlog currently pending.

14. Chippewa Land Claims: BLM has been attempting to resolve tribal claims to lands in the State of Minnesota. The Office will continue to work with BIA and Tribal attorneys in an attempt to identify those public domain lands over which the reservation boundaries extend and for which the Chippewa have not been compensated.

15. Wilderness Study: BLM will be preparing site-specific analyses and EIS's on wilderness study areas to determine the economic, environmental, and social effects of including specific areas in the wilderness system. The Office will provide legal counsel by furnishing memoranda, attending in-house meetings, and reviewing EIS analyses for legal sufficiency. In addition, the Office will assist BLM in implementing the recent district court decision in Sierra Club, et al. v. Watt, et al., Civil No. S-83-035 LKK (E.D. Cal. decided April 18, 1985). That decision resulted in the inclusion of certain previously excluded lands into wilderness study status.

16. Cost Reimbursement: The Office will assist BLM in issuing regulations covering reimbursement for applications to use public lands to comply with the Tenth Circuit decision in Nevada Power Co. v. Watt. The Office will provide oral and written advice on this matter, and also assist the Department of Justice in defending challenges to BLM's existing regulations, which cover rights-of-way applications. Approximately 10 cases involving nearly $60 million are pending. Loss of these cases would affect BLM's ability to require reimbursement in the future.

17. Herbicide Litigation: The Supreme Court denied the petition by the United States to review the leading case (Southern Oregon Citizens Against Toxic Sprays v. Clark) enjoining the BLM from using herbicides as part of its timber

management program. To comply with the Ninth Circuit rulings, BLM and the Forest Service are preparing worst case analyses about the speculative possibility that the herbicides may be carcinogenic. The Solicitor's Office will expend considerable time in advising BLM on how to comply with these adverse rulings, and in implementing any new rulemaking the Council on Environmental Quality may make on its worst case analysis rule. Fiscal year 1986 brings completion of the first EIS's containing worst case analyses on the herbicide aspect of the timber management program.

18. Implementation of the Alaska National Interest Lands Conservation Act (ANILCA): The BLM will continue to implement ANILCA, including: (1) processing, adjudicating, and conveying State and Native lands under the special conditions established in ANILCA; (2) implementing establishment of the Land Bank under Title II; (3) utilizing the consolidated application system for rights-of-way under Title XI; and (4) implementing management plans, special studies, and specific directions contained in the statute. The Office will write memoranda, negotiate with the State of Alaska and Native Corporations, and defend lawsuits. The need for additional easements for public use across lands held by Native Corporations will require the Office to participate in negotiations to obtain adequate easements through exchange. Lawsuits filed by an unknown number of the 220 Native Corporations are anticipated over the construction of existing easement language. This could result in existing easements being declared ineffective, further limiting public access across Native lands. Legal efforts will continue in fiscal year 1987.

19. Public Land Surveys: The Office will continue to provide advice and assistance in the defense of suits involving claims relating to public land surveys, including Harlow v. United States and related cases. The Harlow case could establish important precedent on the manner and use of resurveys of public lands applicable nationally.

20. National Petroleum Reserve-Alaska (NPR-A): The Office will continue to help the Department of Justice defend litigation over the navigability of bodies of water in the NPR-A. The State's claim of title of submerged lands underlying navigable waters is raised against leasing portions of tracts delineated for oil and gas leasing under the directive for NPR-A found in Interior's Fiscal Year 1980 Appropriation Act. The State has filed a second suit to recover monies from existing leases of these disputed submerged lands. The Office is also working with BLM, Geological Survey, the Navy and the Air Force to negotiate an exchange of the Naval Arctic Research Laboratory with the Village Corporation at Barrow, Alaska.

21. Grazing Program: The Solicitor's Office will assist the BLM in complying with the decision in NRDC v. Clark enjoining BLM's cooperative management program for livestock grazing. It will also assist BLM in implementation of the prohibition against subleasing of grazing privileges contained in the Department of Interior's Fiscal Year 1985 Appropriations Act. The Office will also review BLM's required reports under Section 12 of the Public Rangelands Improvement Act of 1978 on the experimental stewardship program and grazing fees.

22. Milwaukee Railroad Rights-of-Way: Requested litigation has not yet been initiated by the Department of Justice. BLM is seeking to obtain reconveyances of the abandoned railroad right-of-way from parties who purchased portions of it from the trustee in bankruptcy, and has obtained several. The Office is

assisting in this effort. The Office will continue to assist BLM in attempts to resolve the matter administratively and to assist Justice with preparations for litigation.

23. Water Rights: The Office will provide legal counsel to BLM and assistance to the Department of Justice in the adjudication of acquired and reserved water rights in Montana. The State has embarked on a statewide series of river basin adjudications. BLM-managed wild and scenic river water rights are challenged.

24. Oil and Gas Regulations. BLM has begun another broad revision of the oil and gas leasing and operation rules. This was last done in 1982 and 1983 and new issues requiring legal advice and research are now present: the assignment approval backlog, and how to streamline approvals; future interest leasing to minimize disruption of existing operations and lands where title is vesting in the U.S.; responding to court decisions such as Murer (on lease extension by drilling) and the "simo" cases (Conway; Adomkus, KVK Partnership) in which the Courts of Appeals review rejection of first-drawn noncompetitive lease applications.

25. Sisk Act Review: As a result of congressional inquiries and the filing of a rule making petition for the Sisk Act of July 6, 1960, a legal review of that Act, plus the Forest in lieu Selection Act of 1897 and other laws leading up to the passage of the Sisk Act, has been initiated.

26. Payment-in-lieu-of-Taxes (PILT): The Office will continue to provide legal advice on numerous issues related to PILT payments including the application of the Single Audit Act to PILT.

27. Snake River Omitted Lands Litigation: Regardless of the outcome of the appeal to the Tenth Circuit on the issue of title, this Office believes that there is a possibility for another round of litigation over the issue of boundary lines. If a resolution of the boundaries cannot be achieved through negotiation, litigation may extend into fiscal year 1988.

28. Right-of-Way Valuations: The conclusions and program revisions resulting from work by the BLM review committee will be applied, with cases arising as revised appraisals are applied to new and existing rights-of-way.

29. Hazardous Waste Statutory Implementation: BLM liability for and enforcement against permittees and lessees to secure clean-up of hazardous or toxic waste situations will be a growing area. BLM's inventory work will lead to a better knowledge of problem locations, and state permits now being issued to operators on public lands will be strictly enforced. The Office will advise as BLM reduces the leasing of public land for sanitary landfills.

30. Inspection and Enforcement: The Office is providing assistance in regulating the commencement, conduct and abandonment and cleanup activities in oil and gas. The Office will provide legal advice and assistance as BLM implements the civil penalty provisions of the Federal Oil and Gas Royalty Management Act. Rulemaking arising out of a task force review of experience under the initial Inspection and Enforcement rules is scheduled for fiscal year 1986. The increased inspection presence of BLM will generate numerous administrative appeals, in which the lessee or operator has a right to a hearing, which may be followed by suits for judicial review.

31. Project Bold: Legislation was introduced in the last session of Congress which, if enacted, would result in a massive land exchange between the federal government and the State of Utah. Congressional hearings were held and it is anticipated that new hearings will be held in 1986 following the submission of revised legislation. The Office will monitor the proceedings carefully and advise accordingly. The Office will also be working closely with the State. Since the rationale for Project Bold is to allow both the State of Utah and the federal government to exchange lands each owns in order to block up or consolidate "checkerboard" lands and thereby increase management efficiency of such consolidated lands, many other western states are watching the developments with much interest. The Office anticipates that if Project Bold is successfully completed, several other states will also want to conduct similar exchanges. The Office will render legal assistance to the Department in such efforts.

32. Withdrawal Review: BLM is scheduled to complete review of hundreds of withdrawals under Section 204(l) of FLPMA in fiscal year 1986. The Office will continue to provide support advising on various legal issues. Revocations of withdrawals under Section 204(a) and termination of classifications under Section 202(d) will also be ongoing subject to the National Wildlife Federation's suit.

33. Bureau of Land Management/Forest Service Interchange: The Office will continue to provide legal advice on the drafting and implementation of the BLM-FS Interchange Program. If the legislation passes, the Office will advise BLM on numerous issues involving management of the lands under the proposed legislation.

34. United States v. Dann; Western Shoshone Land Claims: The Office will continue to provide the BLM with assistance in its negotiations with the Western Shoshone for a possible reservation in Nevada, and will continue to assist the Department of Justice in the Dann litigation.

35. BLM Rights-of-Way Manual: The Office is continuing to assist BLM in developing manuals and other instructions concerning its rights-of-way programs.

36. Railroad In-Lieu Selection: The Office is continuing to assist the Department of Justice regarding litigation now pending in the United States Court of Appeals, D.C. Circuit, concerning title to 15,000 acres of land in Prescott National Forest. The Court has not yet ruled.

37. North Dakota v. Block: The Office is continuing to assist the Department of Justice in defense of this suit regarding title to portions of the Little Missouri River. The United States has appealed a ruling of the district court to the Court of Appeals, Eighth Circuit. The appeal is pending.

38. Coal Exchanges: The Office is continuing to assist the Department of Justice in defending three pending suits which challenge the validity of two exchanges of lands between BLM and certain coal companies. One suit is on appeal before the Court of Appeals, D.C. Circuit; the other two are before the Montana district court. Additional litigation may be instituted by the same plaintiffs regarding a similar exchange in New Mexico.

39. National Wildlife Federation v. Burford et al.: The National Wildlife Federation (NWF) filed suit against the Department in the U.S. District Court for the District of Columbia, alleging that BLM unlawfully revoked withdrawals and terminated classifications in violation of FLPMA. NWF also asked the court to enjoin BLM from taking any further actions involving lands which were previously subject to a withdrawal or classification. On December 4, 1985, the district court entered an order granting NWF's request for a preliminary injunction. Because the order contained numerous inconsistencies and ambiguities, a motion for clarification/reconsideration was filed on December 16, 1985. Pending the outcome of this motion, the Office is assisting the Department of Justice in preparing an immediate appeal to the circuit court. Since this case is in the very early stages of discovery, the Office anticipates that it will continue into fiscal year 1987 and possibly fiscal year 1988.

40. Bureau of Land Management--Forest Service Interchange: The BLM and the Forest Service have engaged in a major cooperative effort, usually designated as the "Interchange Program", to identify lands and management authority that could be more ecomonically managed by the other agency. The Solicitor's Office has been designated to assist in all aspects of the program. The Office will continue to advise and assist BLM in drafting proposed legislation to consolidate management patterns in lands now administered by BLM and the Forest Service.

41. JY Ranch Exchange: A major exchange of lands in Wyoming owned by Lawrence Rockfeller which, if acquired, would enhance the Grand Teton National Park, for coal interests of approximate equal value located elsewhere in Wyoming is under consideration. The Office is providing legal advice and assistance.

42. Trans-Alaska Gas Pipeline: The Yukon-Pacific Gas Pipeline proposal, to transport natural gas from Prudhoe Bay to the Asian nations is in the early stages of processing. Major right-of-way and environmental issues are of concern. The Office is providing legal advice and assistance.

43. Oil and Gas Lease Refund: Exxon, a successful bidder in a 1981 oil and gas lease sale for lands in Ft. Chaffee, Arkansas, has been precluded from development by Army's refusal to allow access to areas contaminated by live ordnance. Exxon has asked for a refund. The Office is assisting BLM and the Assistant Secretary in assessing the legal options and potential impact on existing litigation.

44. Known Geological Structures (KGS's): A KGS is competitively leased; outside a KGS noncompetitive leasing is used. Controversial KGS determinations are pending in Fort Chaffee, Arkansas, in the Lavaca-Navidad project, and involving dozens of lease applications in the Overthrust Belt. Each case involves lease applicants and presumed beneficiaries of competitive leasing and bonus monies with hostile interests.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Withdrawal Review: BLM will continue to review withdrawals pursuant to FLPMA and the Department's withdrawal review effort. The Office will continue to provide legal advice both at the field and headquarters office levels.

2. Project BOLD: This exchange effort will continue through fiscal year 1987 and, depending upon the timing of the legislative enactment, will probably be in the final implementation stages. If other states make similar proposals, additional legal effort will be required by this Office.

3. Bureau of Land Management--Forest Service Interchange: The Office will provide assistance on the implementation of the Interchange Program with respect to the management of lands that may be transferred by the proposed legislation.

4. United States v. Dann; Western Shoshone Land Claims: Assistance from this Office to BLM concerning land claims and/or possible reservation status for certain lands in Nevada on behalf of the Western Shoshone will continue during fiscal year 1987.

5. Snake River Omitted Lands Litigation: If a resolution of the boundaries cannot be achieved through negotiation, litigation may extend into fiscal year 1988. Thus, the Office will continue to give legal assistance and counsel.

6. Asbestos Litigation: Three cases filed in 1983 and 1984 are pending in the Court of Claims wherein nine federal agencies, including the Bureau of Mines, were named as defendants by the plaintiffs (asbestos manufacturers) seeking indemnification from the federal government because of previous lawsuits filed and won by individuals claiming damages from asbestos exposure. It is expected that these will be scheduled for oral argument in fiscal year 1987 and this Office will assist the Department of Justice in the development of briefs and the preparation of witnesses.

7. Hazardous Waste Statutory Implementation: The Environmental Protection Agency's promulgation of regulations implementing the new amendments to the Resource Conservation and Recovery Act is expected to continue until fiscal year 1988. The Office will monitor the promulgation of these regulations and prepare comments and suggestions where appropriate.

8. Hazardous Waste Compliance. BLM, with our assistance, will be involved with EPA and Department of Justice cleanup of several waste dumps on public lands; BLM will be regulating reinjection of oil and gas drilling fluids; and BLM will be monitoring bonds for mining claimants set with RCRA and CERCLA liability in mind.

9. Milwaukee Railroad Litigation: The Department's attempt to resolve this matter by obtaining reconveyances will be continued and litigation, if initiated, will be prosecuted.

10. Wilderness Study: The programmatic review of study areas will continue. Field offices will review EIS's prepared by BLM. Fiscal year 1987 may see an increase in legal activity as recommendations (derived from the fiscal year 1986 EIS's) go from the Secretary to the President to Congress.

11. Grazing Management: Following the adverse ruling in NRDC v. Hodel invalidating portions of BLM's grazing regulations, including provisions for cooperative management agreements for livestock grazing, the Office will continue to assist BLM in publishing new regulations correcting past deficiencies.

12. Coal Leasing Program: Even without possible legislative changes and possible judicial decisions on programmatic NEPA compliance and the Powder River Coal Lease Sale, the coal program will require continued legal advice as regional sale activity is studied and perhaps renewed, and as legal issues arise out of lease management. In fiscal year 1987, litigation over breaches of lease development obligations will begin as "diligence clocks" on leases issued or readjusted after the 1976 Federal Coal Leasing Amendments Act run out.

13. Coal-Section 3 Implementation. As fiscal year 1987 begins, section 3 will have been effective for less than two months and the first generation BLM rejections of lease applications from disqualified entities will just be under way. This may involve litigation; it will certainly require defending administrative appeals.

14. Oil and Gas Leasing: Here also, new legislation may impact the role of this Office in advising BLM in issues arising out of the largest onshore mineral program. Environmental issues will continue to be the focus of much legal advice. Litigation over the rights of lease applicants resulting from new legislation or as a result of BLM's delineation of known geological structures will also continue.

15. Other Mineral Leasing: Combined hydrocarbon leasing may generate issues requiring legal advice. Implementation of the revised solid mineral regulations will certainly raise questions calling for legal counsel. Issues involving oil shale and other synthetic fuels may arise if interest in these energy sources is renewed.

16. Trans-Alaska Gas Pipeline: Work on the Yukon-Pacific gas pipeline proposal will continue including NEPA (EIS) and FLPMA issues to be resolved.

17. Exxon's LaBarge Gas Pipeline Project: The Office will assist BLM in complying with the decisions of the Interior Board of Land Appeals in two pending cases. If Exxon or other parties appeal rulings, the Office will assist the Department of Justice in defending the litigation. The cases involve the correct authority for right-of-way for natural gas pipelines.

18. Railroad In-Lieu Selection: The Office will render advice necessary to implement court rulings and will assist Justice in defending any further litigation. The case is pending in D.C. Court of Appeals and involves about 15,000 acres in the Prescott National Forest, Arizona.

19. National Wildlife Federation v. Burford, et al: The Office will assist the Department of Justice in the defense of this litigation which challenges the validity of withdrawal and classification revocations made since 1981. It is anticipated that appeals will be filed and that considerable legal advice will be rendered regarding day-to-day administration of the public lands, in view of the broad ramifications of this litigation.

20. TAPS/ANGTS: Legal advice is being provided regarding the Trans-Alaska Pipeline System and the Alaska Natural Gas Transportation System. Legal issues will include enforcement by the BLM of the terms and conditions in the rights-of-way grants and other authorizations issued to the TAPS companies, and conflicts and issues arising from the interface of TAPS with the proposed ANGTS

system. Legal advice will concern applications, permits, and authorizations for use of public lands. Relationships between BLM, the State of Alaska, the Office of the Federal Inspector, and the [illegible] Pipeline may also be involved.

[illegible] Coal Exchanges. Litigation challenging the validity of coal exchanges entered into by BLM which is pending in Montana ([illegible] v. Hodel; Northern Plains Resource Council v. Hodel) and in the District of Columbia ([illegible] v. Hodel) will be defended by the Office in conjunction with the Department of Justice. Additional litigation in New Mexico is anticipated and will be defended. The Office is continuing to assist the Department of Justice in defending three pending suits which challenge the validity of two exchanges of lands between BLM and certain coal companies. One suit is on appeal before the Court of Appeals, [illegible] Circuit; the other two are before the Montana District Court. Additional litigation may be instituted by the same plaintiffs regarding a similar exchange in New Mexico.

[illegible] [illegible] v. Hodel. [illegible] Court of Appeals, [illegible] United States Supreme Court. The Solicitor's Office will provide [illegible] support. The Office is continuing to assist the Department of Justice [illegible]. The United States has appealed a ruling of the District Court to the Court of Appeals, [illegible] Circuit.

[illegible] Right-of-Way Valuations. [illegible]

[illegible] [illegible]. [illegible] Solicitor's Office will continue to respond to [illegible] Federal agencies, [illegible]

[illegible] Coal Lease [illegible]. [illegible] The Office is assisting BLM in [illegible] the Department of Justice [illegible] United States [illegible]

[illegible] [illegible] Land Claims. The Office will continue to work with BLM, the [illegible] to identify the status of public domain lands within historic reservation boundaries.

BUREAU OF RECLAMATION
(Client)

MAJOR ACTIVITIES:

The Bureau of Reclamation (BOR) is responsible for water resource project planning, construction, contracting, repayment, and operation and maintenance; hydropower development; water research and technology; water policy; and water rights. A number of statutes, including the Reclamation Act of 1902 and acts amending and supplementing it, most recently the Reclamation Reform Act of 1982, are involved. BOR's activities require interpretation of these statutes, and other statutes related to water projects, including the National Environmental Policy Act, the Fish and Wildlife Coordination Act, the Clean Water Act, and state water rights laws.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Kesterson Reservoir/Westlands Irrigation District. The Office assisted the Bureau in negotiating a major agreement with the Westlands Water District in the Central Valley Project to clean up the selenium problem while keeping as much land under irrigation as possible. Implementation of the agreement will continue into fiscal year 1986.

2. Reclamation Law Reform. The Office worked closely with the Bureau in implementing and interpreting the final rules which were issued in January 1984. The Office provided legal guidance and interpreted the new law to Bureau staff, users and other interested members of the public.

A number of Solicitor's opinions were issued clarifying the ownership, acreage limitation, and pricing provisions of the Act as well as defining the enforcement responsibilities of the Bureau.

3. Water Right Negotiations. The Bureau is involved in the Department's initiative to negotiate water right disputes. The Bureau participated in water right settlement negotiations in Nevada, Montana, New Mexico, Arizona and Utah. The Montana-Fort Peck Compact was signed in May 1985. Negotiations continue in all the states and involve the Newlands Project, the San Juan Chama Project, Big Horn Power Administration, Yellowtail, Milk River and Flathead Projects, the Yakima Basin Project, and the Uinta-Central Utah Project. The Office advised the Bureau on the ramifications of different proposals on Bureau projects.

4. Newlands Project OCAP. The Bureau published proposed Operating Criteria and Procedures (OCAP) for water diversions in the Newlands Project, Nevada. The Office helped prepare the OCAP for publication.

5. Central Utah Project, Central Valley Project and Central Arizona Project Contracts. Major legal opinions were issued regarding the allocation of costs and the availability of nonfederal funds for continued construction of these projects. New repayment contracts were negotiated with the repayment entities. A Coordinated Operating Agreement was consummated between the Bureau and the State of California for the joint operation of the State Water Project and the Federal Central Valley Project.

6. Charges and Disposition of Revenues Concerning the Federal Energy Regulatory Commission (FERC): The Bureau advised FERC on how to determine the reasonable annual power charges for use of Reclamation dams. The Office further advised that all revenues received from such charges are to be deposited into the Reclamation fund. The Office provided written advice on conditioning license water charges and headwater benefits.

7. Navajo Unit, Colorado River Storage Project and Navajo Indian Irrigation Project: The Bureau is involved in resolving problems in continued development of the Navajo Indian Irrigation project and water marketing at Navajo Reservoir. The Office reviewed and commented on legal aspects of draft documents.

8. Safety of Dams: The Office assisted the Bureau in determining whether it may impose operating restrictions on dam and reservoir operations instead of modifying dam structures to assure dam safety. Operating restrictions will, in many instances, provide considerable financial and environmental benefits to the United States.

9. Pick-Sloan Project Power Pumping Rates: The Office assisted the Bureau in reviewing its Project Power Pumping Rates for the Pick-Sloan Missouri Basin Project and advised that the rates may be raised up to the irrigator's ability to pay. Significant additional revenues may be realized when this Opinion is implemented.

10. Jicarilla Apache Tribe v. Hodel: The Bureau entered into negotiations in an attempt to settle a dispute over research of water in the San Juan Chama Project. The Office provided advice on structuring the negotiations and helped prepare court documents.

11. Flathead Irrigation Project Comprehensive Review: The Bureau of Reclamation and the Bureau of Indian Affairs began a comprehensive review of the irrigation and power divisions of the Flathead Irrigation Project. A report by the review committee was issued in late 1985. The Office advised the Bureau in preparing the review and commented on initial findings.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Reclamation Law Reform: The Bureau will continue implementation of the rules and regulations covering the Reclamation Act of 1902, as amended by the Reclamation Reform Act of 1982 (RRA). The Bureau will initiate a supplemental rule-making proceeding in early 1986 to clarify certain provisions in the rules and promulgate rules to implement Section 203(b) of the RRA, which comes into effect in April 1987. The Office will continue to advise on the rules. The Office will assist the Bureau in the interpretation and impact of the provisions of the new statute and assist in the new rulemaking. Extensive travel in the West will be required to assist the Bureau in implementing rules and regulations. The Office will also work closely with the Department of Justice if litigation is initiated challenging the rules. Almost all contracts with the hundreds of irrigation districts and thousands of corporate, municipal, and individual water users are subject to amendment and renegotiation under the new law. Contracts will be negotiated, drafted and

reviewed for legal sufficiency. Nationally, the work of the Office for the Bureau will continue to grow over the next two fiscal years due to enactment and implementation of this major new law.

The Office will continue to assist the Bureau in establishing procedures for auditing the Bureau of Reclamation acreage limitation program. The Office will also assist the Bureau in examining and reforming the manner in which Bureau facilities are utilized for the purpose of conveying private water rights water, i.e., commingling. The Office has been requested to initiate legal action to enforce the certification and reporting requirements vis-a-vis irrigation districts and individual water users. The Office will continue to provide legal assistance to the Bureau in examining the effect of the RRA on contracts executed pursuant to the Warren Act, and in examining the legal sufficiency of trusts and other ownership arrangements pursuant to the Reclamation laws.

2. San Luis Unit Drain/Kesterson Reservoir: The selenium crises discovered in 1984, the lawsuits arising therefrom and the ordered closing of Kesterson Reservoir have resulted in a major review of water use and drainage problems both in the Central Valley Project and nationally. The Bureau is also currently participating in the renegotiation and replacement of contracts for long-term water service, distribution, and drainage system repayment. The Office will provide legal advice and opinions, participate with the Bureau in contract negotiations, and review legal options in dealing with the selenium issues. The Office will work with the Department of Justice in the current litigation (Claus v. U.S. and Westlands Water District v. U.S.) and with the Bureau on negotiations to settle the litigation.

3. Delta Water Cases: The California Water Resources Control Board in 1978 established water quality standards for the Sacramento-San Joaquin Delta. Superior Court Judge Figone ruled that the Bureau, through its operation of the Central Valley Project, is subject to such standards in a 1984 opinion. The Court of Appeals is presently in the process of hearing appeals to the decision of the Superior Court.

4. National Wildlife Federation, et al. v. Clark, et al.: The National Wildlife Federation and State of Missouri filed suit challenging the actions of the Water Resources Council in repealing the "Principles, Standards and Procedures for Water and Related Land Resources Planning" and as substitution of the "Principles and Guidelines." The Office represents the Council (the Secretary is the Chairman of the Council) and has responsibility for the litigation and implementation of the Court's Order.

5. Pyramid Lake/Newlands Project: The Bureau has responsibility for solving water management conflicts in the Truckee and Carson River Basins among irrigation and municipal water users, Indian rights and endangered fish species. The Office will continue to advise the BOR on the Truckee/Carson River Basin controversies, write briefs, negotiate with State and local interests, implement the new Operating Criteria and Procedures and provide special counsel to the Department of Justice. A major effort is expected to negotiate a settlement of these matters and enact legislation to implement the settlement. The Office will have a major role in assisting the BOR on these matters.

6. Central Valley Project ("Term 80" and CVP): The Bureau is still seeking reauthorization of the CVP and is attempting to resolve Sacramento-San Joaquin Delta water issues. Implementation of the new coordinated operating agreement with the State of California, as well as a comprehensive water rate setting policy for the CVP will require considerable legal resources. Legal opinions and appearances before the State administrative bodies will also be required. Increased legal advice will be required due to the May 1984 decision in the Delta water cases voiding D-1485, the "Term 80" study initiated by the State Water Resources Control Board on reallocation of water supplies in the Sacramento-San Joaquin River Basins and the proposed protection of San Francisco Bay, and to assist with issues regarding reauthorization of the Auburn-Folsom South Unit.

7. Water Rights Policy: Under various statutes and Departmental orders, the Bureau will continue to implement the Department's water rights policy, negotiate with states and participate in the quantification of water rights. The Office assisted in writing option documents, attending policy meetings, reporting on legislation and meeting with non-federal entities and individuals, as it implemented this policy to expedite state control over water resource planning, development and administration.

8. Water Rights Adjudications and Negotiations: Aspects of the Bureau's water rights policy are being legally challenged (Colorado Water Divisions 4, 5, and 6 and other litigation). Reserved water rights and quantification of existing uses are being negotiated and litigated. Legal assistance will be provided to the Department of Justice in preparing pleadings to comply with state law and court requirements. A major effort will be in support of the claims of the United States in connection with Bureau storage and power generation rights in the Montana, Colorado, Wyoming, Idaho, Arizona, New Mexico and Washington state-wide adjudications. This activity is expected to continue into fiscal year 1987. The Office is actively involved in the negotiation with the states and Indian tribes of many of their disputes.

9. Power Marketing Contracts: The Bureau will renegotiate contracts at existing hydroelectric facilities, and the Office has begun to intervene in FERC proceedings where power rates on major Bureau projects are at issue. The renegotiation of the power contracts at Hoover Dam, reallocation of the power produced and possible litigation will increase the workload of the Office. Legal counsel will be provided in the form of opinions and discussion of various options and legislative proposals.

10. National Groundwater Strategy: The Bureau is working closely with the Environmental Protection Agency to implement a National Groundwater Strategy to prevent the contamination of groundwater resources and to provide for the cleanup thereof.

11. Aquatrain: The Office is assisting the Bureau in cooperating with private industry in the development of a coal slurry pipeline which partially utilizes saline water derived from the Colorado River Storage Project. This project is a model for future joint use projects.

12. Energy Transportation Systems, Inc. Litigation: In May 1984 the district court ruled that the Bureau did not have the authority to market available but unused irrigation water for industrial purposes from mainstream Missouri River

reservoirs built by the Corps of Engineers. Briefing and argument of the Department's appeal and implementation of the resulting decision of the Eighth Circuit will continue during fiscal year 1986.

13. Revenue Distribution: A major legal review of all the statutes regarding distribution of revenues from Bureau projects, public lands, and hydropower projects will be completed.

14. Central Utah Project: Continued assistance will be required on financing alternatives for the CUP and Diamond Fork Power System. Litigation is likely.

15. Navajo Unit, Colorado River Storage Project (CRSP) and Navajo Indian Irrigation Project (NIIP): The Bureau will be actively participating in a Department review of NIIP. The Office will advise the Bureau on legal obligation, legislation and contract obligations.

16. Reclamation Law "Blue Books": Significant progress was made on revising and updating the three-volume legal reference work entitled "Federal Reclamation and Related Laws Annotated," published in 1972. Research and compilation of information for Volume IV (laws and opinions from 1967 through 1982) was completed and preparation of the manuscript for Volume IV, as well as research and compilation of information for the Supplement (affecting laws and opinions from 1902 through 1966) continue. Completion of this project is expected in mid 1986.

17. Ratesetting: The Bureau is preparing for a review of several power rates charged to project customers. This Office will assist the Bureau by written memorandum and negotiation assistance.

18. Flathead Irrigation Project Comprehensive Review: The Bureau will prepare a report on the Comprehensive Review and a recommendation to the Secretary. The Office will review both the report and the recommendation and advise the Bureau on the sufficiency and accuracy of both documents.

19. Jicarilla Apache v. Hodel: The Bureau is preparing to review a feasibility study of the Indian Irrigation Project. Additionally, the Bureau will review its records on water availability in the San Juan Chama Project. The Office will advise the Bureau on its contract obligation and legal obligation under New Mexico and federal water law. Additionally, the Office will provide assistance to the Department of Justice in preparing court documents in the litigation.

20. Garrison Diversion Unit: The congressionally mandated Garrison Commission issued its final report in December 1984. Through fiscal year 1986, the Office will continue to assist the Department in implementing the Commission's recommendations, formulating the Departmental policy in consultation with Canada and the Department of State, negotiating contracts, preparing legislation, and setting priorities with regard to the project. This will involve preparation and review of legal opinions, reports, contracts, legislation, environmental impact statements, and commission charters.

21. Arizona Water Problems: The Bureau will continue to work with the State of Arizona to resolve problems concerning Central Arizona Project (CAP) allocations, Plan 6, State groundwater reform legislation, the Central Arizona

Project repayment contract, water service contracts, planning and funding for distribution systems, and Tucson Aqueduct and Orme Dam. The Office will participate in the task force established to resolve Indian water right matters. Meetings will be held with the Bureau and other Department policy makers, Indian tribes, and the State and local entities concerned in both completing the CAP and resolving conflicts among the water users. The Office will continue to assist in drafting and reviewing contracts, legislation and agency proposals.

22. South Dakota v. Missouri: The State of South Dakota has filed an original action in the United States Supreme Court for the equitable apportionment of the Missouri River System. The views of the United States have been requested and will be presented in early 1986. If the Supreme Court accepts the petition, a vast amount of legal persistance to the clients will be required.

23. Three Gorges Dam: The Office is assisting the Bureau of Reclamation with regard to NEPA compliance in connection with the Bureau's role in providing technical advice to the People's Republic of China concerning the proposed Three Gorges Dam in the Yangtze River. The dam will be one of the largest construction projects in the world.

24. Corning Glass License: Corning Glass had sued several government agencies on its optical fiber patents and the Department of Justice had settled. In late 1984, Corning approached Interior about joining the license agreement. After extensive review of the matter, it appeared that the Bureau of Reclamation did purchase, and is contemplating further purchases of, fibers that might be within the license agreement. The Department of the Interior has agreed to enter into the license agreement. The agreement will be signed in 1986.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. New Project Construction Starts: The Bureau is proposing new project construction starts for fiscal year 1987 and beyond. These projects will rely on the principles of federal-state cooperation and increased cost sharing. Legal assistance will focus on reviewing legislation, writing opinions at the request of the Assistant Secretary for Water and Science and the Commissioner, and negotiating contracts and agreements. The Office will assist the Bureau in working closely with state, local and private entities to respond to the challenges of the new federal/state/local partnerships. Goals include increasing water service charges to recover full federal investment, encouraging conservation, securing non-federal financing for projects, and returning control over operation, maintenance, and administration of new projects to states.

2. Reclamation Reform: Legal assistance will be provided in implementing the new rules and regulations promulgated under the Reclamation Reform Act (RRA), renegotiating old contracts, negotiating new contracts, and defending litigation. Also of major significance will be major land certification problems, implementation of full cost pricing and use of the RRA to enhance federal revenues from water projects, implementation of Section 203(b) regarding collection of full cost, and defending expected litigation

associated with this implementation. The Office will continue to provide assistance to the Bureau in examining ownership arrangements, including beneficial trusts.

3. Power Development: Development of hydropower potential at Bureau facilities will continue. The Office will provide legal support by providing legal opinions to the Assistant Secretary and Commissioner; reviewing legislation and regulations; reviewing FERC permits; and providing agency counsel for administrative hearings, chiefly before FERC.

4. Water Rights: Ongoing litigation, adjudications and negotiations to resolve water rights conflicts, particularly in Colorado, Wyoming, Montana, Idaho, Arizona and Washington, will continue. Since many Bureau projects are involved, the Office will continue to provide legal assistance in the conduct of litigation, filing of claims and protests, and formulating negotiating positions.

5. Central Valley Project Water Marketing Proposals: The Office will assist the Bureau in implementing its new policy initiatives for resetting CVP water rates for irrigation and municipal and industrial water. The Office will prepare and review legal opinions for the Assistant Secretary and Commissioner and participate in contract negotiations dealing with such issues as establishing repayment periods for new facilities and crediting past contractor payments.

6. Cost Sharing/Ceiling Policies and Problems: The Office will continue to assist the Bureau in formulating and implementing cost sharing and revenue enhancement policies Reclamation-wide and particularly with respect to resolving cost ceiling problems involving the Central Arizona Project, the Central Utah Project and Auburn Dam. This will involve drafting and reviewing legislation and preparing opinions at the request of the Assistant Secretary or Commmissioner.

7. San Luis Unit, CVP: The Office anticipates a significant increase in the legal workload concerning the complex of issues associated with reauthorization of the San Luis Unit, the Westlands litigation and environmental problems affecting the San Luis Drain and Kesterson Reservoir. This will involve reviewing legislation, opinions, issue papers and reports and judicial and administrative litigation.

8. Central Utah Project, Central Arizona Project, Hoover Dam Contracts: Renegotiation of water delivery and power contracts and defending litigation on these projects will require an increase in legal support.

9. Delta Water Cases: It is expected that the appeal process will still be underway in fiscal year 1987, as no settlement is likely before then in this case.

10. National Wildlife Federation, et al. v. Clark, et al.: Trial is expected in fiscal year 1987 if this case is not dismissed or summary judgment granted.

11. Navajo Unit, CRSP and NIIP: The Bureau anticipates that issues involving NIIP and Navajo Reservoir will continue to arise through fiscal year 1987. The Bureau will need legal advice during negotiations and litigation.

12. Revenue Distribution: Implementation of the findings of the legal review of the revenue distribution statutes is expected to require significant legal assistance on contract renegotiations, defense of lawsuits, and assistance in drafting legislation to cure any deficiencies found in current practices.

13. South Dakota v. Missouri: Major discovery is expected if the Supreme Court grants the petition for equitable apportionment in 1986.

14. Three Gorges Dam: The Office will furnish NEPA compliance and other advice to the Bureau of Reclamation in connection with its role in rendering technical advice to the People's Republic of China for the proposed Three Gorges Dam on the Yangtze River.

MINERALS MANAGEMENT SERVICE

Client

BASE ACTIVITIES:

The Minerals Management Service (MMS) requires legal advice on compliance with the following Acts: The Outer Continental Shelf Lands Act, the Mineral Leasing Act and other mineral leasing laws onshore, the Alaska Native Claims Settlement Act, the Alaska National Interest Lands Conservation Act (ANILCA), the Federal Oil and Gas Royalty Management Act (FOGRMA), the Coastal Zone Management Act, the Endangered Species Act, the National Environmental Policy Act, the Natural Gas Policy Act and regulations authorized by the Acts. Major areas of legal advice include leasing of and operations on Outer Continental Shelf (OCS) lands, and management of revenues from the leasing of Indian lands and of Federal lands both onshore and offshore.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. OCS Leasing Program: The MMS administered the preparations for and conduct of the scheduled sales around the country. The Office reviewed impact statements and advised on relations with other agencies' programs, including Commerce (coastal zone), Coast Guard, Defense, and the Environmental Protection Agency. The Office defended two suits filed against these sales on environmental grounds.

2. Resolution of Claims under Section 8(g) of the Outer Continental Shelf Lands Act: The Office assisted the Department of Justice in writing the appeal briefs in *Secretary of the Interior v. Texas*, the case involving $1.2 billion in Section 8(g) revenues. The Office also spent considerable time preparing for trial in *Louisiana v. Secretary of the Interior*, a case involving $2.6 billion. Additionally, the Office spent long hours in an effort to settle Section 8(g) claims by the States of Alaska, Alabama, California, Florida, and Mississippi.

3. MMS's OCS Leasing Authority: The Office issued a major legal opinion on MMS's authority to lease within 200 miles of the United States coastline. This opinion clears the way for further study of possible leasing in the Pacific.

4. OCS Air Quality Rules: The Office advised MMS in discussions with California on rules governing emissions of air pollutants from OCS facilities. It helped to write a lengthy advanced notice of proposed rulemaking which currently serves as the focus for discussions.

5. Gas Royalty Litigation: The Office wrote several briefs in administrative and judicial proceedings on gas royalties, achieving a particularly important victory in *Marathon v. Department of the Interior*. Collectively, these cases involve tens of millions of dollars.

6. Royalty Oil Litigation: The Office won the first and leading contested proceeding before the Department of Energy's Office of Hearings and Appeals in which the Department of the Interior sought exception relief from the crude oil certification regulations which form the basis of the small refiners' overcharge claims. The refiner has appealed the decision. Other similar applications for exception were filed in fiscal year 1985 and are pending. The

Office also assisted the Department of Justice in winning a case before the Temporary Emergency Court of Appeals, Lunday-Thagard v. MMS, 773 F.2d 322, cert. denied 54 USLW ____, January 13, 1986, which held that the Federal Government is immune from liability for overcharges alleged by small refiners pursuant to the Economic Stabilization Act in sales of royalty oil. If upheld by the Supreme Court (Petition for Certiorari is pending), the Government potentially could be relieved of hundreds of millions of dollars in liability.

7. OCS Regulatory Reform: The Office helped MMS prepare a mammoth proposed codification and streamlining of regulations governing OCS lessees.

8. ADP Equipment Procurement: The Solicitor's Office worked closely with MMS in the procurement of ADP hardware and reimplementation support for the Royalty Management Program (RMP). The RMP represents the second largest revenue producer for the United States, and the computer support is essential to its operation. This Office accompanied MMS and Department officials when the congressional committee initiated its own review of the proposed system. On April 8, 1985, a five-year system life contract was awarded for $31.7 million to Martin Marietta Data Systems. MMDS has recently notified MMS officials that there would be a delay and additional costs to the reimplementation. Further, MMS has notified MMDS that liquidated damages will be assessed against MMDS for every day of delay. This Office will continue to advise MMS and defend against any claims brought by the contractor.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. OCS Leasing Program: The MMS will administer the OCS Leasing Program, projected to consist of seven sales and advance planning and environmental impact statements for additional sales. The Office will participate in the legal review of EIS's, coordinate defense of litigation, provide legal interpretations for OCS leasing sales, and attend planning meetings.

2. Five-year Program Review: The Office will continue to advise MMS on the preparation of a new five-year OCS leasing plan to continue lease sales following expiration of the current plan in July 1987. The planning process takes a minimum of two years to comply with the statutory criteria of Section 18 of the OCS Lands Act and the National Environmental Policy Act.

3. Royalty Oil Matters: The Office will provide legal advice on the refund demands and lawsuits against MMS for alleged violations of the Department of Energy oil pricing rules in the sale of federal royalty oil. If the recently decided controlling precedent of the Temporary Emergency Court of Appeals is upheld, most of the remaining work will center around resolving one remaining issue in some of the cases and closing the presently-existing litigation. Some new cases are expected to be brought in the Claims Court.

The Office also will assist MMS in the preparation of proposed and final regulations revising and streamlining the existing rules governing the Royalty-In-Kind (RIK) Program. The Office will provide assistance to MMS in preparing for new RIK oil sales.

4. Review of Exploration and Production Plans: Recent discoveries offshore California have stimulated exploration and resulted in specific development plans. These plans raise novel and controversial issues of consistency with

state coastal zone plans and of compliance with environmental laws. Certain groups are also challenging exploration off Alaska, alleging violations of the Alaska National Interest Lands Conservation Act.

5. Resolution of Section 8(g) Claims: The Office will continue to advise MMS and the Secretary on highly controversial issues involving the distribution of billions of dollars in federal revenues from OCS leasing under Section 8(g) of the OCS Lands Act, which involves so-called "common pools" subject to partial federal and partial state ownership of the submerged land. Trial of the Louisiana case, which involves over $2.6 billion, is scheduled for March 1986, and appeal of the Texas case should be decided in 1986, unless legislation moots these lawsuits. In addition, the Office will assist the Secretary in his negotiations to settle these disputes with the "section 8(g) state" Governors, and in drafting and construing proposals for settlement currently under consideration by Congress.

6. MMS Director's Decisions: The Office will continue to review and assist in dozens of appeals from MMS decisions rendered by MMS field offices. This will help ease a significant backlog caused by an increase in offshore drilling activity. The royalty decisions, which are becoming more numerous, involve billings against lessees, often in the millions of dollars. Solicitor's Office assistance will resolve a growing number of oil and gas royalty appeals, many involving lessees' requests for administrative stays or court restraining orders to avoid having to pay pending outcome of the appeals.

7. Leasing of Minerals other than Oil and Gas: This Office will assist with the planning of the sale of offshore hard mineral leases, as well as the first Outer Continental Shelf sand and gravel lease sales. This will involve review of final rules, proposed notices of sale, lease forms and the like in these unprecedented activities.

8. International Law: The Office will work with the State Department on issues of international boundary matters between the U.S. and Canada, the Soviet Union, Mexico, the Bahamas, and other nations. The resolution of these matters has important implications for offshore resources. The Department has sought to offer tracts in disputed areas.

9. Boundaries with States: The Office will continue to participate in litigation over state/federal boundary issues involving submerged lands. Cases currently are pending before the Supreme Court for boundary determinations in Alaska, the Gulf of Mexico, and the Atlantic.

10. Onshore Royalty State-Federal Cooperative Agreements: The Office will assist MMS in administering its agreements with states that receive distributions of federal lease royalties, under Title II of the Federal Oil and Gas Royalty Management Act of 1982. These agreements present novel legal issues involving delegation of federal authority and state discretion in enforcing and construing federal contracts and rules.

11. Indian Royalty: Reconsideration of its decision involving royalty gas from Jicarilla Apache Tribe leases was heard en banc by the Tenth Circuit early in fiscal year 1985, and should be decided in fiscal year 1986. Win or lose, the Office will have to construe: the lessees' obligations to do dual accounting on "wet" gas; the MMS's authority to value production for royalty

after the lessee-computed payment is received, and related issues involving the Secretary's responsibility in collecting royalty on Indian leases. In addition, the auditing of Wind River Reservation leases has been completed. The initial challenges to the audits and the valuation determinations involved are now beginning in Shoshone and Arapahoe Tribes v. Watt.

12. Alaska Gas Valuation: The Office was successful in a lawsuit against Marathon Oil Co. involving the proper value for royalty purposes of some of the natural gas produced from the Kenai Unit Field in Alaska. Marathon had been paying royalties based on $.61 per thousand cubic feet (Mcf), but the court ordered Marathon to base royalty payments on over $3.00/Mcf and to pay a lump sum covering royalties due from August 1981 on that same basis. The lump sum payment should be over $10 million. This lawsuit was the first major royalty enforcement case in over 30 years. In fiscal year 1986, the Office will continue to pursue civil penalties against Marathon before the Department's Office of Hearings and Appeals of over $20 million for its actions in this dispute. This is the first case applying the civil penalty provisions of the Federal Oil and Gas Royalty Management Act of 1982. In a related lawsuit, the Office has assisted in the issuance of an order and the filing of a counterclaim demanding additional royalties from the other lessee in the Kenai Unit, Union Oil Co. The royalties (and interest) originally in dispute totalled approximately $100 million. However, Union paid over $36 million in partial settlement of the dispute. Approximately $75 million still is disputed.

13. Other Gas Valuation: The Office prepared a comprehensive opinion on royalty obligations arising from "take-or-pay" revenues under natural gas sales contracts which is being incorporated as the basis for the MMS Director's decision issued or to be issued more than a dozen pending cases. Further appeals to the MMS Director are anticipated in the future. The Director's decisions as well as prospective orders which may be issued are expected to spawn a substantial number of lawsuits and further administrative appeals. In addition, the Office will continue to advise and represent the MMS in administrative and judicial proceedings regarding application of valuation regulations and criteria for past and future periods.

14. Amendments to Coastal Zone Management Regulations: The Office will work with the client agencies in commenting on changes the Commerce Department is now drafting for its CZMA regulations in light of Secretary of the Interior v. California.

15. Royalty Distribution Issues: The Office will provide the MMS with advice on several issues related to proper distribution of royalty receipts, interest liability and other financial matters, conversion of the MMS' automated financial and accounting systems, and related issues. The Office also has assisted in preparation of proposed legislation concerning refunds, sources of funds to pay required interest, etc., and will continue its efforts in these matters.

16. Royalty Valuation Regulations: The Office will provide assistance to MMS in the preparation of proposed and final regulations which would revise and streamline the rules governing the valuation of oil, gas and coal on Federal and Indian lands and on the Outer Continental Shelf.

17. Enforcement of Royalty Management Orders. The Office will assist MMS in initiating enforcement actions pursuant to FOGRMA against lessees and other royalty payors who fail to report and pay royalties properly and in a timely manner. This includes defense in the Department's Office of Hearings and Appeals and the courts of challenges to the actions.

18. Production Accounting and Auditing System. The Office assisted MMS in the promulgation of final regulations to implement MMS' Production Accounting and Auditing System (PAAS), a requirement of FOGRMA Section 111(a), 30 U.S.C. Section 1711(a). The PAAS rules as implemented apply only to OCS and solid minerals leases, and the Office will continue to assist MMS in resolving issues related to implementation and expansion of PAAS.

19. Twenty Percent Set Aside. The Office is assisting MMS in the preparation of regulations to implement the requirement of the OCS Lands Act, 43 U.S.C. Section 1337(b)(7), that lessees on the OCS set aside 20 percent of their crude oil production for sale to small and independent refiners.

20. Representation Before the Interior Board of Land Appeals. When the MMS Director's Decisions are appealed to the Interior Board of Land Appeals, the Office will represent MMS. Activities will include preparation of briefs, negotiation of settlements and oral presentations. The increase in MMS Director's Decisions, particularly those expected after implementation of new product valuation regulations, should result in an increased number of IBLA appeals.

21. ADP Equipment Procurement. In fiscal year 1985, a five-year life contract was awarded to Martin Marietta Data Systems (MMDS) for ADP hardware and reimplementation support for the Royalty Management Program. In early fiscal year 1986, MMDS informed the Department that there would be a delay in the delivery of the reimplementation for the first software program. Additionally, MMDS informally claimed additional funds for the work. The Department has advised MMDS that the claim is not supportable and that liquidated damages would begin to accrue for the late delivery. The Office will continue to advise MMS on the validity of the claim and any other contract administration matters that may arise during its performance.

FY 1987. MAJOR LEGAL PROBLEMS ANTICIPATED

1. OCS Five-year Leasing Program. The Office will advise MMS as it completes its revision of the five-year oil and gas leasing schedule. Any litigation concerning the schedule will begin in fiscal year 1987.

2. Oil and Gas Lease Sales. The Office will review for compliance with the National Environmental Policy Act, OCS Lands Act, the Coastal Zone Management Act, and the Endangered Species Act all proposed actions resulting from OCS oil and gas lease sales with expected receipts of several billion dollars.

3. Royalty Collections. Implementation of the Federal Oil and Gas Royalty Management Act rulemaking of September 1984 will require defense in the Department's Office of Hearings and Appeals and the courts of challenges by lessees to these new requirements. This will require defense of legal rationales in untested areas. The Office will assist the MMS in meeting its enforcement objectives for cases of late, under, or non-payment of royalties.

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16. MMS Director's Decisions. It is expected that the Office will continue to review and assist in appeals to the Director from decisions of MMS field offices. It is anticipated further that appeals will increase after implementation of the new product valuation regulations as application of those new rules by the MMS is tested by lessees.

17. Representation before the Interior Board of Land Appeals. When the MMS Director's Decisions are appealed to the Interior Board of Land Appeals, the Office will represent the MMS. Activities will include preparation of briefs, negotiation of settlements and oral presentations. The increase in MMS Director's Decisions, particularly those expected after implementation of new product valuation regulations, should result in an increased number of IBLA appeals.

U.S. GEOLOGICAL SURVEY
Client

BASIC ACTIVITIES:

The U.S. Geological Survey (USGS) is confronted with legal challenges in the implementation of its research and contracting authority related to water resources, geologic investigations, supervision of the drilling contracts for the National Petroleum Reserve--Alaska (NPR-A), responsibilities under the Barrow Gas Field Transfer Act, under the equal opportunity laws, and regulations authorized by the Acts. Since the Conservation Division of the USGS was transferred in part to the Minerals Management Service and in part to the Bureau of Land Management, those agencies and not the USGS have supervised the programs under the Mineral Leasing Acts, the Federal Land Policy and Management Act (FLPMA), the Alaska National Interest Lands Conservation Act, and the Alaska Native Claims Settlement Act. Major fields of legal advice and review include contract disputes related to the NPR-A drilling contracts and contract research done by the Water Resources and Geologic Divisions, and intellectual property rights. In addition, the Office reviews patent infringement claims and determines the rights of contractors to inventions funded in part with public money.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Airborne Data v. U.S.: The Court of Claims found the government liable for unauthorized disclosure of a trade secret in Airborne Data v. United States. An appeal to the Court of Appeals Federal Circuit resulted in an affirmation of the trial court's decision. This was a split trial-liability first, then damages. The damage issue was settled by agreement between the parties for $77,000 and future royalties. The Solicitor's Office provided legal assistance to the Department in this case. The plaintiff is continuing the suit in an attempt to recover attorney fees. The trial is expected to be completed by early fiscal year 1987. The parties are attempting to settle the remaining issues. A proposed settlement has been reached which is pending final review in the USGS and Department.

2. Milty Infringement Claim: The Office rendered legal support to the Department in this case. Plaintiff Milty filed a claim for patent infringement and preliminary steps were taken to evaluate the claim. Simultaneously, negotiations to settle the claim under the authority of I.T.T. v. U.S., without litigation were begun in 1984. As a result of negotiation, Milty's claim for compensation ($120,000) was dropped to $20,000 and a settlement license was executed in early fiscal year 1985.

3. Husky Oil NPR Operations, Inc: In June 1975, the U.S. Department of the Navy awarded an oil and gas exploration contract to Husky Oil NPR Operations, Inc. (Husky). This exploratory work was performed in the North Slope of Alaska, in the area known as Naval Petroleum Reserve No. 4. Husky and the Navy negotiated a cost-reimbursement contract for this effort.

As a consequence of the Naval Petroleum Reserves Production Act of 1976 (Public Law 94-258 Section 103(c)), the Department of the Interior assumed jurisdiction of this Reserve. The statute renamed the Reserve the National Petroleum Reserve in Alaska. Further, the statute transferred administration and funding of the Husky contract to the Department.

Since the transfer, the U.S. Geological Survey has been the responsible procuring activity for this effort. Over [illegible] subcontracts and 14,000 purchase orders were awarded by the contractor.

Substantial drilling efforts were completed in late 1981 and the past three years have been devoted primarily to close-out efforts on these subcontracts and purchase orders. The cost-reimbursement nature of the contract requires the Government to audit the expenditure of funds by the contractor. Pursuant to an interagency agreement, the Defense Contract Audit Agency (DCAA) is currently performing this audit. To date, DCAA has completed audits on approximately $[illegible] million of $[illegible] million in expenditures.

Thirty separate appeals filed by Husky to the Interior Board of Contract Appeals (IBCA) and two to the U.S. Claims Court taking issue with these final decisions were filed. During the current fiscal year, the Office represented the Department in two major cases tried before the IBCA. The result was a dispositive decision affecting the other cases. Further, the Claims Court granted the Government's Motion to Dismiss one case at the court. In December 1985, the parties agreed in principle to a final closeout of all issues on the contract. Review and approval of the settlement is anticipated in early 1986.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Water Compacts and Negotiations: The Yellowstone River Compact is expected to be revised and the USGS will play an increasing role in developing water data for federal and Indian water rights negotiations in Montana. The USGS will also take an active role in establishing the quantification of federal water rights incident to the Montana state-wide adjudication.

2. Water Resources and Research Act of 1984: Legal assistance is being provided to the USGS in development of rules implementing sections 105 and 106 of the Water Resources Research Act of 1984 providing grants to educational institutions, private firms and foundations, individuals, and local and state agencies for the development of any aspect of water-related technology and for research concerning any aspect of a water resource-related problem which the Secretary deems to be in the national interest.

3. Airborne Data v. U.S.: Dispositive motions have been filed on the attorney fees issue and a decision by the Court is pending. If there is a trial on the attorney issue, the Office will provide legal assistance.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Water Rights Negotiations: Increased assistance from the USGS will be needed in a major program to negotiate federal and Indian water rights. Legal assistance will be required to develop the hydrologic programs in a manner that will satisfy the legal requirements of state and federal law to prove and support water right claims.

2. Water Resource Research Act of 1984: Legal assistance will be provided in implementing the rules promulgated under the Water Resources Research Act of 1984.

OFFICE OF SURFACE MINING
Client

BASE ACTIVITIES:

The Solicitor's Office provides legal support to the Department in fulfilling federal responsibilities under the Surface Mining Control and Reclamation Act of 1977 (SMCRA) for the following activities: (1) development, evaluation, and revision of permanent program standards regulating the environmental effects of surface coal mining and reclamation operations on federal and non-federal lands; (2) approval of permits and mining plans on federal lands; (3) processing petitions for designating federal lands and lands in federal program states unsuitable for surface coal mining; (4) negotiation, execution, and administration of federal-state cooperative agreements; (5) development, promulgation, and revision of legislation and rules providing for regulation of surface coal mining and reclamation operations on federal and Indian lands in states having approved regulatory programs; (6) evaluation and preparation of environmental impact statements and assessments; (7) approval of state regulatory programs and program amendments and requiring amendments to such programs; (8) development and implementation of federal regulatory programs for issuance of mine permits and enforcement of environmental performance standards; (9) approval of state reclamation plans and applications for annual reclamation project grants; (10) development and implementation of federal reclamation projects for abandoned mine lands; (11) collection of statutory reclamation fees on all coal production and management of the Abandoned Mine Lands Reclamation Fund; (12) collection of civil penalties assessed; (13) processing grants to states for operation of their regulatory and abandoned mine land programs; (14) processing requests for data under the Freedom of Information Act and the Privacy Act; (15) resolving conflict-of-interest issues; and (16) representing the Department in all litigation arising under the Surface Mining Act.

Legal support is required in all litigation and administrative proceedings involving the Office of Surface Mining Reclamation and Enforcement (OSM). The Solicitor's Office represents OSM in all administrative proceedings conducted by the Office of Hearings and Appeals (OHA) to review notices of violations and cessation orders, civil penalty assessments, approvals and denials of mine permit applications, suspensions and revocations of mine permits, valid existing rights determinations, bond forfeiture decisions, and blaster certifications. The Solicitor's Office, with the assistance of the Land and Natural Resources Division of the Department of Justice, represents OSM and the Department in all litigation before the federal district courts, U.S. Claims Court, bankruptcy courts, and courts of appeals involving: challenges to the Surface Mining Act; its regulation and enforcement proceedings; rulemaking under that Act; approvals and denials of mine permit applications; approvals and disapprovals of state regulatory programs; approvals and disapprovals of amendments to approved state regulatory programs; implementation of federal programs; decisions preempting portions of approved state regulatory programs; approvals and disapprovals of state-federal cooperative agreements; and lands unsuitable determinations. There are approximately 100 such cases presently pending. Individual enforcement actions (including collection cases) in U.S. District Courts are the direct responsibility of attorneys in the Office of the

Solicitor acting in the capacity of Special Assistant U.S. Attorneys. There are cases now pending involving approximately 4,000 referrals for penalty or fee collection, or for alternative enforcement measures.

The institution of a full federal regulatory program for the State of Tennessee and the continuation of federal enforcement in the State of Oklahoma have increased the legal workload. Extensive legal support is being provided in the areas of: review and approval of permit applications to conduct surface coal mining and reclamation operations; determination of eligibility of abandoned lands for reclamation pursuant to Title IV of the Surface Mining Act; compliance with the requirements of the regulatory programs in Tennessee and Oklahoma; design and implementation of an effective federal surface mining program in Tennessee; and defense of challenges by industry to OSM's inspection and enforcement efforts and alternative enforcement and collections activity.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Debt Collection: The Solicitor's Office attorneys, as Special Assistant United States Attorneys, filed complaints, obtained judgments, and conducted post-judgment discovery in Federal District Courts throughout the United States. The Office also collected monies from distributions made by bankruptcy courts of the estates of delinquent debtors. The Office collected $5,748,882 in AML fees (up from $3,934,756 in fiscal year 1984) and $656,078 in civil penalties (up from $219,965 in fiscal year 1984). At the end of the fiscal year there were 906 pending AML fee cases totaling $19,883,009 and 1,257 pending civil penalty cases totaling $62,860,973 and representing penalties on 3,505 notices of violation and cessation orders.

Litigation managed by the Office resulted in several court of appeals decisions favorably defining the legal procedures for collecting AML fees in bankruptcy. The Office continued to upgrade its computerized case tracking system for debt collection cases.

2. Alternative Enforcement: The Office continued to aggressively pursue alternative enforcement actions to compel correction of violations of the Surface Mining Act.

Alternative enforcement cases may result in one or more of the following: (1) actions to assess civil penalties directly against the officers, directors, and agents of corporations responsible for unabated violations; (2) injunction actions to compel compliance with an unabated cessation order; or (3) administrative proceedings to deny new permits. Attorneys with the Solicitor's Office prepare all legal documents and, as Special United States Attorneys, conduct all enforcement litigation. The Office negotiated or compelled compliance with approximately 150 cessation orders and filed approximately 100 additional civil actions to compel compliance with approximately 300 cessation orders. The Office has obtained injunctions ordering over $2 million worth of reclamation projects. Over $1 million worth of reclamation is underway or completed as a result of these injunctions.

3. Support for, and Update of, Regulatory Authority of the States: Under Section 503(a) of SMCRA, states are authorized to assume responsibility for the regulation of surface coal mining and reclamation operations on non-federal lands within their borders upon approval of their state program proposals.

Amendments to state programs must be approved by the Office of Surface Mining. The Office reviewed approximately 60 packages of proposed state program amendments from approximately 22 states for compliance with SMCRA's requirements and consistency with the Code of Federal Regulations. The Office also reviewed approximately 30 other final rulemaking actions and provided assistance with presubmission proposals from 15 states on approximately 40 different topics. Additionally, the Office assisted the State of Tennessee in developing draft legislation necessary for formal submission to OSM under Section 503 of SMCRA to reassume primary authority for regulation of surface mining in that State.

4. State Program Oversight: SMCRA requires OSM to monitor the administration of approved state regulatory programs. The Office assisted OSM in its third review and evaluation for compliance with SMCRA's requirements and consistency with the Code of Federal Regulations the regulatory programs operating in the 24 states which have attained and retained primacy. The Office also assisted in preparing and reviewing a report to Congress on each state. The Office also worked with OSM in completing two proceedings (Oklahoma and Kansas) under 30 CFR Part 733 to determine whether those States were operating programs which were consistent with SMCRA and the Code of Federal Regulations and what corrective action, if any, was to be taken by the States or OSM. Additionally, the Office assisted OSM in its evaluation of significant problems in other states. This Office reviewed and evaluated for consistency with SMCRA and the Code of Federal Regulations recommendations for modifications of OSM's oversight policies and procedures in light of fiscal year 1984 experience in their implementation. Finally, the Office worked with OSM in conducting exhaustive reviews of 22 state programs to determine what changes are required in these programs as a result of OSM's Regulatory Reform.

5. Federal Programs: Section 504 of SMCRA mandates a federal regulatory program for any state which fails to submit its own program proposal for regulation of surface mining. In fiscal year 1985, the Office assisted OSM in federal programs in states where mining exists or may occur in the foreseeable future and the state has not submitted a state regulatory program. These programs were in the active mining states of Tennessee, Washington, and Georgia and seven states with no current coal mining. The Office continued to assist OSM in providing legal assistance required for implementation of federal programs. The Office is providing legal advice concerning permitting, rulemaking petitions, bonding and enforcement, and other issues concerning these federal programs.

6. Partial Federal Enforcement: OSM instituted federal enforcement of the inspection and enforcement provisions of the Oklahoma regulatory program effective April 30, 1984. The Office assisted OSM in implementing federal enforcement authority and provided legal advice to OSM concerning enforcement actions. Additionally, the Office assisted OSM in evaluating the remainder of Oklahoma's regulatory program and the progress Oklahoma is making in qualifying for resumption of full,regulatory authority.

7. Abandoned Mine Lands Reclamation: Section 405(b) of SMCRA allows each state having an approved regulatory program on coal mined lands eligible for reclamation to submit a state reclamation plan proposal and annual project proposals to accomplish the reclamation of abandoned mine lands. The Office reviewed one state AML reclamation statute for legal sufficiency under SMCRA.

The Office also assisted OSM in developing, evaluating, negotiating, and drafting five state AML program amendments. Additionally, the Office assisted OSM in its annual review of 22 AML reclamation programs with annual expenditures exceeding $200 million for compliance with Title IV of SMCRA and 30 CFR Subchapter R of the Secretary's regulations. The Office also reviewed all AML grant submissions for compliance with the state reclamation plans and assisted OSM in presenting workshops across the country on realty issues, liens, remining and AML eligibility. Moreover, the Office assisted OSM in developing a major study of the use of liens in AML projects and drafted significant proposed regulations concerning SMCRA exemptions for coal mining operations, as well as a final regulation to enhance AML reclamation for collections.

8. Permit Application Package Review: Section 523 of SMCRA obligates OSM to review applications for mining on federal lands. OSM also reviews applications for mining on Indian lands and on lands in federal program states. Fifty federal and Indian lands permit application packages submitted by private interests were reviewed by the Solicitor's Office for compliance with SMCRA, OSM regulations, other federal laws, and Executive Orders.

In the State of Tennessee, the Solicitor's Office helped develop and implement a federal permitting program including procedures and forms for permit applications and permit reviews of existing State permits. The Office helped negotiate and implement a Memorandum of Understanding with the State of Tennessee to coordinate OSM permitting activities with State National Pollution Discharge Emission System permits issued under the Clean Water Act. In addition, the Solicitor's Office assisted in reviewing 20 existing permits in Tennessee for compliance with the SMCRA and in conducting informal conferences with operators to bring existing permits into conformance with SMCRA. The Office also helped to review 55 new permit applications submitted by operators in Tennessee.

9. Interagency Agreements: The Solicitor's Office was involved in the development, negotiation and review of Memoranda of Understanding between OSM and the Bureau of Land Management and between OSM and the Bureau of Indian Affairs regarding procedures and the allocation of responsibilities for federal and Indian lands. The Office was involved with negotiation of a Memorandum of Understanding with the Advisory Council for Historic Preservation. The Office also drafted memoranda of understanding between OSM and the Departments of Defense and Energy to preclude violators of SMCRA from benefitting from contracts with those agencies.

10. Cooperative Agreements: Section 523(c) of SMCRA allows any state with an approved state regulatory program an election to enter into a cooperative agreement with the Secretary to provide for state regulation of surface coal mining and reclamation operations on federal lands within that state, if the state has the necessary personnel and funding to fully implement such an agreement and otherwise meets the requirements of the Act and regulations. The Office assisted OSM in developing, evaluating, negotiating, and drafting three federal-state cooperative agreements and an amendment to an existing cooperative agreement.

11. Regulations Revision: The Office finalized regulatory changes deriving from an amendment to the Surface Mining Act included in Interior's Fiscal Year 1984 Appropriations Act, as well as three other sets of regulatory changes.

As a result of a series of district court decisions in In Re: Permanent Surface Mining Regulation Litigation II remanding a number of OSM rules, the Solicitor's Office assisted in the development and drafting of 30 proposed rules and four notices suspending various existing rules. The Office helped develop and draft other proposed rules relating to court orders in two cases entitled Save Our Cumberland Mountains v. Clark and relating to an amendment to SMCRA contained in Public Law 98-473 regarding subsidence insurance. The Office also assisted OSM in responding to six petitions for rulemaking and in developing associated proposed rules. In addition, the Office helped to develop and draft approximately fifteen other rules to fulfill OSM's responsibilities under SMCRA and one under the National Historic Preservation Act. Additionally, the Office reviewed and commented on five sets of rules for the Department's Office of Hearings and Appeals.

12. National Environmental Policy Act (NEPA) Compliance: OSM prepared Environmental Impact Statements (EIS's) in connection with the permitting of several mines and prepared a final programmatic EIS for permitting in Tennessee. The Office assisted OSM in the scoping and preparation stages of a draft EIS on the SMCRA prohibitions on the surface effects of underground mining and on NEPA compliance decisions concerning a revised definition of the term "valid existing rights." The Office reviewed these EIS's as well as other NEPA compliance documents for legal adequacy under NEPA.

13. Indian Lands: Section 710 of SMCRA obligates OSM to regulate surface coal mining operations on Indian lands. The Office assisted OSM in connection with the implementation of final rules for regulating coal mining on Indian lands.

14. Unsuitability Determinations: OSM must evaluate petitions that affected persons may file to have lands that are regulated under the federal lands program, or under any federal program, designated as unsuitable for mining under Section 522(c) of SMCRA. The Office assisted OSM on two unsuitability petitions. The Office also reviewed for legal sufficiency OSM decisions and underlying documentation on the question of "valid existing rights" and "compatibility" determinations for permit applications on federal lands.

15. Federal Reclamation Projects: SMCRA authorizes OSM to spend monies from the AML Fund for reclamation of surface coal mining lands where emergencies pose extreme danger and where coal mining practices adversely affect public health, safety, or general welfare. The Office provided OSM written and verbal legal advice during the development, implementation, and administration of emergency and non-emergency, high-priority AML reclamation projects, including the $42 million appropriation for relocation of 400 families at the Centralia, Pennsylvania mine fire. In addition, the Office prepared a letter from the OSM Director to the Comptroller General concerning proper disposition of coal sale receipts arising out of federal reclamation projects.

16. Defensive Litigation: Challenges to OSM enforcement policies, rulemaking actions, and state program decisions have increased in number and complexity. One major state program challenge is pending in federal judicial district court. The Office negotiated settlements of several of the program challenges.

The Department was involved in litigation arising from the enforcement of performance standards against operators improperly claiming the Surface Mining Act's two-acre exemption in Virginia. Litigation involving challenges to OSM mine permitting and "lands unsuitable for mining" decisions and "valid existing rights" determinations are pending in both the Claims Court and federal district courts. A settlement was reached with all parties in the protracted litigation challenging the Secretary's 1980 decision designating federal lands outside of Bryce Canyon National Park unsuitable for surface mining. The Office also negotiated settlements in litigation challenging OSM's recently promulgated rules governing mining on Indian lands. Additionally, the Office frequently has been called upon to provide legal advice to OSM officials in light of court opinions and to assist in the development of enforcement policy as well as the implementation of the revised order in Save Our Cumberland Mountains v. Clark. Challenges to OSM's regulatory reform regulations continued during which the third round of this case was briefed, argued and decided in the district court. Appeals of portions of the second and third round decision have begun.

The Department is involved in additional litigation by landowners seeking compensation for the alleged taking by inverse condemnation of their reserves as a result of the Surface Mining Act's prohibition on conducting surface coal mining operations within various protected areas such as national forests and wilderness areas. Much of this litigation has been successfully concluded with the court requiring the plaintiffs to seek valid existing rights determinations and exhaust other administrative remedies. Nonetheless, recent adverse federal court decisions on other cases are pending on appeal. The Office also was involved in the successful defense of AML rules which govern the calculation of reclamation fees and the allocation formula for fees collected for coal mined on Indian lands. The Department also concluded successfully major litigation involving a bankruptcy court's attempt to enjoin OSM enforcement action in Oklahoma because of operator insolvency.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Federal Regulatory Programs: Sections 504 and 521 of SMCRA mandate a federal regulatory program for any state which has developable coal resources which fails to submit or adequately carry out an approved state program. The Office provides OSM all necessary legal assistance in implementing federal regulatory programs, including review of permits and enforcement of regulatory provisions. The Office provides OSM legal assistance in administering federal programs for ten states. As part of the Tennessee Federal Program, the Office expects to provide legal review of approximately 100 new permits and 80 existing permits.

2. Debt Collection: Several actions are being taken to improve significantly the collection of civil penalties and AML fees. The creation and purchase of three data bases are making possible the coordination of all cases and administrative actions against the same defendant. These are OSM's Collections Management Information System (CMIS), this Division's Case Tracking System (CTS), and Dun and Bradstreet's (D&B's) Principal Linkage System (PLS). Using these data bases, the Office can ensure that all existing and potential claims against the same or related parties are litigated, settled or terminated simultaneously except where there is good reason not to do so. Additionally, the Office is cooperating with OSM in the orderly procurement of net worth

determinations concerning defendants to locate assets to pursue and to decide which actions to terminate. Also, new referrals are anticipated as a result of the direct federal enforcement in Oklahoma and Tennessee.

3. Alternative Enforcement: The Office continues to aggressively pursue alternative enforcement actions to obtain injunctions compelling operators and their principals to correct their violations of the Surface Mining Act which have resulted in unabated failure-to-abate cessation orders. The Office is now handling approximately 900 of these alternative enforcement cases, and OSM is in the process of referring about 600 more of them for possible litigation. Additional referrals will also result from direct OSM enforcement in Tennessee and Oklahoma and OSM's Two-Acre Task Force activities in Virginia and Kentucky. The pending 1,500 cases involve an average of $65,000 of reclamation each; thus, the Office is handling or will be handling cases involving an estimated $97,500,000 worth of reclamation. The Office will continue to be involved in the SMCRA section 510(c) permit denial and rescission process under the revised order in Save Our Cumberland Mountains, Inc. v. Clark.

4. Support for, and Update of, Regulatory Authority of the States: Support for, and updating of, primary state regulatory authority over surface coal mining and reclamation operations continues to be a significant function of OSM and this Office. Submissions from about five states will be reviewed by this Office for compliance with Secretarial conditions to program approval. In addition, the Office will review about 50 packages of proposed amendments to as many as 24 approved state regulatory programs for compliance with SMCRA's legal requirements and consistency with the Code of Federal Regulations as the states continue to adopt OSM's "regulatory reform" regulations. Massive state program amendments will involve state submissions to take advantage of flexibility provided by OSM's regulatory reform as well as changes made necessary by regulatory reform (the states being required to have programs "no less effective than" OSM's regulations). The Office will assist OSM in an exhaustive review of about 10 approved state programs to determine where state program amendments will be required as a result of OSM's regulatory reform and assist OSM in negotiating these issues with the states. This will complete the "Regulatory Reform" review of all 24 state programs. The Office will continue working with OSM to encourage Tennessee to regain primacy; it will review Tennessee statutes and regulations for consistency with SMCRA and the Federal regulations.

5. State Program Oversight: The Solicitor's Office will continue to review and evaluate the regulatory program operations in the 24 states with primacy for compliance with SMCRA's requirements and consistency with Federal regulations. OSM will continue to provide technical assistance to the regulatory authorities of states which have attained primacy. The Office will render written legal opinions and provide counsel in the following specific areas: state enforcement responsibilities and options, state grant applications, conflicts of interest, evaluations of state program operations in areas such as permitting and designation of lands unsuitable, and legal interpretations of SMCRA's provisions and implementing regulations.

The Office will review and evaluate for consistency with SMCRA and the Code of Federal Regulations, recommendations for modifications of OSM's oversight policies and procedures in light of fiscal year 1985 experience in their implementation. Additionally, the Office will continue to: (1) work with OSM in revising the oversight regulations to make them more effective for addressing minor as well as major problems in state programs; (2) assist OSM with 30 C.F.R. Part 733 proceedings where such proceedings are deemed necessary by OSM; and (3) participate in meetings with OSM and states to resolve state program issues of national concern.

6. Abandoned Mine Lands: OSM is authorized to monitor the administration of approved state reclamation programs. The Solicitor's Office will provide legal support for OSM in connection with its responsibility for the oversight of approved reclamation programs.

Section 405 also provides that each state or Indian tribe having coal-mined lands eligible for reclamation within its borders, is eligible to apply to the Secretary for an annual grant to finance specific reclamation projects. States or tribes with approved reclamation plans are allowed to receive annual grants from the AML Fund upon OSM's approval of their annual work plan submissions. The Office will assist OSM in the review of the annual work plan submissions from about 24 states and tribes.

In addition, the Office will furnish legal support for OSM's oversight of reclamation expenditures, totalling approximately $150 million per year, which states and tribes will finance with monies (usually grants) from the AML Fund. The Office also will continue working with OSM to develop oversight parameters for reviewing state and tribal administration of their AML programs.

7. Interagency Agreements: The Office will work with OSM in negotiating, drafting and concluding memoranda of understanding with the Departments of Defense and Energy to preclude violators of SMCRA from benefitting from contracts with those Departments.

8. Cooperative Agreements: OSM, in partnership with approximately two states, is in the process of developing and entering into cooperative agreements transferring responsibility for regulation of surface coal mining and reclamation operations on federal lands to the states in which those lands are situated. The Office is assisting OSM in negotiating and drafting those agreements and is reviewing them for legal conformity with SMCRA and the Code of Federal Regulations. Legal assistance is provided to OSM with respect to the administration of cooperative agreements already in effect between states and OSM.

9. Federal Reclamation Program: The Office continues to assist OSM in the general administration of the Federal AML Program; provide advice during all phases of project selection, award, and performance; defend OSM against challenges to contract awards and tort claims arising out of Federal projects; assist OSM and Indian tribes in establishing cooperative reclamation activities on Indian lands; and assist OSM in establishing specific Federal reclamation programs in states which have no regulatory or reclamation programs under SMCRA.

10. Defensive Litigation: The Department has been involved in continual litigation over the Secretary's oversight actions. This litigation is expected to involve administrative and judicial challenges by operators affected by OSM enforcement action. Further litigation is also expected in connection with administrative decisions by OSM on valid existing rights applications and

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assistance to the regulatory authorities of states which have attained primacy. The Office will continue to render legal opinions, assist in 30 CFR Part 733 proceedings, and participate in meetings with OSM and the states to solve problems as they occur. Also, the Office will assist OSM in reviewing state amendments to their programs intended to implement OSM's Regulatory Reform -- both voluntary state amendments and amendments required by OSM. Concerning the required amendments, the Office will work with OSM and the states to implement and approve those changes. Moreover, the Office will initiate an additional review of 25 state programs to ensure consistency with OSM regulatory amendments issued since earlier "Regulatory Reform" reviews.

7. Abandoned Mine Lands/State Programs: Pursuant to Section 405 of SMCRA, the Secretary is responsible for monitoring the progress and quality of state reclamation programs approved by the Secretary. The Office will continue to assist OSM in its annual review of approximately 25 abandoned mine land programs for consistency with their approved state/tribal reclamation plans and the provisions of Title IV of SMCRA and 30 C.F.R. Subchapter R of the Secretary's regulations. When necessary, the Office will provide legal assistance to states on matters involving any aspect of the AML program, including grants, liens, rights of entry, eligibility, police power, condemnation, emergencies and acquisitions. The Office also will continue to assist OSM in carrying out oversight of state reclamation expenditures.

8. Abandoned Mine Lands/Federal Programs: Under Title IV of SMCRA, OSM is responsible for implementing emergency reclamation programs in states that have not assumed this authority. Additionally, OSM's Division of Federal Reclamation Programs is responsible for carrying out a variety of federal reclamation projects, including projects in states which have no regulatory authority or in which OSM has instituted direct federal enforcement. The Office will assist OSM's Division of Federal Reclamation Programs in developing, evaluating, negotiating and drafting all necessary documents and provide advice during all phases of project selection, award and performance. Additionally, the Office will defend OSM against challenges to contract awards and tort claims arising out of federal projects.

9. Cooperative Agreements: Section 523(c) of SMCRA permits OSM and a state having primacy under an approved state regulatory program to conclude a cooperative agreement providing for the state's regulation of surface coal mining on federal lands within its borders. The Office will continue to assist OSM in the administration of an estimated 12 cooperative agreements, including oversight of state actions under them and effectuate additional agreements.

10. Implementation of Regulatory Programs: OSM will continue to undertake rulemakings to resolve unanswered issues in the permanent regulatory program and to implement any changes necessitated by challenges to OSM's regulatory reform initiatives. The Solicitor's Office expects that 30 rulemakings will continue in fiscal year 1987. Continuing day-to-day legal advice will be provided to OSM in implementing and interpreting OSM's regulations.

11. Federal Lands: The Office will review for legal sufficiency, under SMCRA and the Code of Federal Regulations, all OSM decisions and underlying documentation on the question of "valid existing rights" and "compatibility" determinations for permit applications on federal lands. The Office will also

assist OSM in reviewing permit application packages for mining on federal lands in states without federal-state cooperative agreements and will assist the Department in reviewing mining plans for the mining of leased federal coal.

12. Indian Lands: If Indian land legislation is enacted by Congress, this Office is expected to review regulatory submissions from three Indian tribes for legal sufficiency based on the requirement of SMCRA, the Indian lands legislation, and the Code of Federal Regulations. In addition, the Office will review for legal sufficiency under SMCRA and the revised Code of Federal Regulations all documentation underlying OSM's decisions on an estimated five permit applications for approval of mining on Indian lands.

13. National Environmental Policy Act (NEPA) Compliance: The Solicitor's Office will continue to review environmental impact statements and other NEPA compliance documents for legal adequacy under NEPA and provide advice with regard to the need for NEPA compliance for other federal actions.

14. Defensive Litigation: The Department anticipates further litigation over the Secretary's direct enforcement actions. Further litigation is also expected in connection with administrative decisions by OSM on valid existing rights applications, mine plans, and inverse condemnation actions filed by persons allegedly aggrieved by the prohibition on mining in protected areas as defined by SMCRA. It is anticipated that the Office will continue and complete its appeal and defense of challenges to OSM's regulatory reform initiative and to OSM's state program approvals. Litigation also is likely concerning OSM's approval or disapprovals of proposed state program amendments. Additionally, attorneys fees litigation is expected to continue in both administrative and judicial forums.

The Department anticipates extensive litigation concerning OSM's enforcement of the Settlement Agreement reached in the Two-Acre litigation to continue during fiscal year 1987.

BUREAU OF MINES
Client

BASE ACTIVITIES:

As a result of research conducted by the Bureau of Mines (BOM), new inventions are discovered which warrant patent prosecutions. The Office provides counsel in all areas of intellectual property rights, including litigation, regulation, and contracts. Further, legal advice in litigation is provided arising from the operations on the helium program. In addition, this Office provides legal advice and review of BOM contracts, cooperative agreements, grants, and the legal problems arising from operations thereunder.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Dow Chemical Suit: Dow instituted suit for infringement of its patent rights in a process for controlling land surface subsidence and mine fires. The Solicitor's Office assisted the Department of Justice in discovery in preparation for trial.

2. Helium Prices Paid to Natural Gas Producers: The case of Northern Natural Gas v. Grounds involves the prices which helium companies must pay to natural gas producers for helium contained in natural gas. Over the years, it has been viewed as a threatening potential multi-million dollar liability to the United States because contracts to purchase helium for the government contained provisions for indemnification of the helium companies. In fiscal year 1984 the District Court for Kansas issued a decision valuing helium at a level that has required substantial indemnification. In fiscal year 1985, the Office worked closely with the Department of Justice on various questions and proceedings arising out of the District Court's decision and was successful in minimizing the government's liability. A settlement was reached with the National Helium Corporation in which a claim that totalled $68.8 million was settled for an immediate cash payment of $3.4 million. This settlement complemented an earlier settlement with Cities Service Helex, in which Cities surrendered its indemnification claim as part of a settlement of an unrelated dispute. A third contractor has filed suit in the Claims Court seeking indemnification of approximately $24.3 million as a result of the District Court decision; during fiscal year 1985, at the request of the Office of the Solicitor, the Department of Justice filed a $22 million counter claim.

3. Sale of Helium: A major sale of federally owned helium from the Riley Ridge gas field was negotiated with Exxon USA. The sales contract has a primary term of 20 years and should provide revenue to the government of a minimum of $60 million. The contract provides for price adjustments to account for changes in the price of helium. Additionally, if Exxon exercises options under the contract to purchase additional helium, there could be substantial additional revenue. Had the contract, which was negotiated by a team from the Bureau of Mines and the Solicitor's Office, not been agreed upon, the helium involved would have been vented to the atmosphere when Exxon begins production of the helium bearing natural gas within the next two years.

4. Helium Debt: Attorneys from the Office contributed significant efforts to development of options for the Secretary on resolution of the debt incurred in the 1960's to purchase helium for the Helium Conservation Program, and to development of proposed legislation on this question.

5. Anjomar Coal Preparation Demonstration Plant: The Bureau of Mines has a $10 million cost-sharing contract with Anjomar, Inc., to build and operate a coal preparation demonstration plant in Pennsylvania. The contractor has failed to furnish its $7 million share even though the Bureau has funded its $3 million share. In fiscal year 1985 the Office negotiated a successor contract with Culmtech, Ltd. This firm has agreed to a repayment schedule of the Government's share. The Office will monitor compliance by the successor contractor and advise the Bureau accordingly.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Dow Chemical Suit: It is anticipated that the participation in the Dow litigation will continue at a progressively increased rate as discovery proceeds and the trial date is set. The trial will probably begin in fiscal year 1986.

2. Helium: A major commitment of attorney time will be required in connection with the Claims Court indemnification case, as well as remaining proceedings in Northern Natural Gas v. Grounds. It is also anticipated that significant legal work may be involved in implementation of the Exxon helium sale contract and on resolution of the helium debt.

3. General Patent Work: Legal support will be provided for patent filings and prosecution in the Patent Office on chemical and metallurgical technology developed by the Bureau of Mines.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Dow Chemical Suit: Depending on the date of and length of trial, it is expected that activity will be increased as post-trial events such as filing of briefs and motions transpire. In addition, an appeal to the U.S. Circuit Court of Appeals for the Federal Circuit is a virtual certainty because of the sums of money damages involved, ranging from $1.5 to $10 million, depending on the actual use for or by the government.

2. Helium: The Claims Court indemnification case will continue. Legal advice on other aspects of the Helium Program will also be required.

3. General Patent Work: Legal work will continue on patent filings and prosecution in the Patent Office on chemical and metallurgical technology developed by the Bureau of Mines.

OFFICE OF INSPECTOR GENERAL
Client

BASE ACTIVITIES:

The Office of the Solicitor through the Division of Audit and Investigation provides legal support to the Office of Inspector General (OIG). The principal mission of the OIG, as mandated by the Inspector General Act of 1978, is the promotion of economy and efficiency in the operations of the Department and in the programs which it administers or finances. Under the general supervision of the Secretary, the OIG pursues its mission by performing audits and investigations and issues reports and recommendations to appropriate officials of the Department and the Congress. Moreover, the OIG has additional specific audit and investigative responsibilities pursuant to the Insular Areas Act of 1982 and the Single Audit Act of 1984.

Numerous jurisdictional, procedural and substantive legal questions, both civil and criminal, arise due to the broad scope of OIG activities. In addition to addressing these issues, the Office assists the OIG in its relationship with the Department of Justice and the law enforcement community generally, and serves as legal advisor to the OIG on legislative matters which affect not only the OIG but relate to the Department's programs and operations as well. The Office also provides legal advice with regard to the administrative operations of the OIG, including the provision of litigation support in cases involving the OIG or its personnel.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Kesterson National Wildlife Refuge: The Solicitor's Office headquarters personnel met with Office of Inspector General and Solicitor's regional personnel in Sacramento, California, on two different occasions to assist in providing legal guidance on substantive and procedural issues relating to the OIG investigation at the Kesterson National Wildlife Refuge.

2. OIG Activities in the Territories: The Solicitor's Office and Office of Inspector General personnel met with the Virgin Islands Attorney General and the U.S. Attorney regarding several legal issues in connection with ongoing OIG audits and investigations.

3. Water Island Lease: The Office met with the Office of Inspector General on numerous occasions concerning the audit of the Water Island lease. Legal advice, both oral and written, as well as drafting assistance was provided to the OIG in the preparation of their final audit report.

4. Northern Mariana Islands Assistance Compact: The Office met with the Office of Inspector General on several occasions concerning the negotiations of the seven-year assistance compact between the United States and the Commonwealth of the Northern Mariana Islands. Legal advice and drafting assistance was provided to the OIG with respect to the compact.

5. Guam Tax System: The Office met with Office of Inspector General personnel and officials of the Territory of Guam concerning the audit of the Guam Tax System. Legal analysis of complex tax issues and drafting assistance was provided to the OIG in the preparation of their final audit report.

6. Northern Mariana Islands Economic Development Loan Fund: The Office met with Office of Inspector General and Office of Territorial and International Affairs personnel on several occasions concerning the use of funds from the Economic Development Loan Fund by the Commonwealth of the Northern Mariana Islands. The Office provided oral and written legal advice on issues raised in the OIG's final audit report. The Office coordinated with the United States Attorney for Guam on the implementation of the Inspector General's recommendations.

7. Yankton Sioux Tribe Contract Advances: The Office provided written legal advice on the recovery of contract funds which had been advanced to the Yankton Sioux Tribe under a Bureau of Indian Affairs letter of credit. The funds had been seized by a bank, pursuant to a court order, as a result of past due tribal indebtedness.

8. Guam Rehabilitation Loan: The Office provided written legal advice concerning the calculation of interest and principal payments owed to the United States by Guam on Public Law 88-170 rehabilitation project loans.

9. Virgin Islands Housing Authority Personal Service Contracts: The Office provided oral and written legal advice to the Office of Inspector General interpreting provisions of Virgin Islands Housing Authority Personal Service Contracts.

10. Virgin Islands Civil Litigation: The Office provided litigation support to the Department of Justice and the Virgin Islands United States Attorney's Office in a civil suit against an Office of Inspector General Special Agent. The support involved the interviewing of witnesses, the preparation of affidavits and correspondence, and the collection of documents. The plaintiff agreed to drop the suit prior to a hearing on the Government's Motion for Summary Judgment.

11. Land Selection Costs of Native Corporations: The Office provided written legal advice on the land selection costs of three Alaska Native Corporations: Shee Atika, Goldbelt, and Kootznoowoo. The costs had been questioned as a result of an Office of Inspector General audit.

12. National Park Service Buildings: The Office provided written legal advice on the extent of concessioners' possessory interest in improvements made to Government buildings. The opinion involved an interpretation of Section 6 of Public Law 89-249.

13. Navajo Tribe Subcontracts: The Office provided a written legal opinion on two subcontracts as a result of an inquiry from a Senate Committee.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Navajo Tribe Social Services Program: The Office provided oral and written legal advice to the Office of Inspector General concerning issues raised in its audit of the social services contract between the Bureau of Indian Affairs and the Navajo Tribe. The Office met with the OIG to discuss the Department's regulations governing the Navajo Tribe's Senior Companion Program.

2. Freedom of Information Act Appeals: The Office met with the Office of Inspector General on several occasions to discuss improving the procedure for handling administrative appeals in Freedom of Information Act cases involving Exemption 7(A). The Office designed and coordinated the implementation of a new improved procedure and provided oral and written legal advice to the OIG concerning their obligations under the Act.

3. Subpoenas of Special Agents, Eastern District of Virginia: The Office was successful in obtaining the withdrawal of subpoenas to require two OIG Special Agents to testify in a civil action in the U. S. District Court, Eastern District of Virginia. The proceeding was collateral to a major investigation in which the agents have participated and which is before a Grand Jury in another Federal District.

4. Bureau of Mines Lease: The Office provided written legal advice on the legality of using federal funds to finance improvements for leased private property.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

The Solicitor's Office will continue to provide legal support to the Office of Inspector General as the latter discharges its responsibilities to detect and prevent fraud, waste and mismanagement and promote efficiency and economy in the programs and operations of the Department.

ASSISTANT SECRETARY FOR TERRITORIAL AND INTERNATIONAL AFFAIRS

Client

BASE ACTIVITIES:

The Department of the Interior, through the Office of the Assistant Secretary--Territorial and International Affairs, is responsible for the administration of most of the territories of the United States and the Trust Territory of the Pacific Islands. The Solicitor's Office provides legal advice to the Office of the Assistant Secretary--Territorial and International Affairs on all phases of the varied and continuing relationships between the United States and the Virgin Islands, American Samoa, Guam, the Commonwealth of the Mariana Islands, and the Republic of the Marshall Islands, the Federated States of Micronesia, and the Republic of Palau, the emerging self-governing states of the Trust Territory of the Pacific Islands. It also assists other Departments and agencies in the coordination of the programs of the United States that are applicable to those areas. Legal assistance on a full-time basis is required to study the codified laws of the United States and establish their applicability to, and impact on, the territories and Trust Territory. Emphasis is being placed on identifying and modifying those laws that create the greatest barrier to territorial development. In addition, the Solicitor's Office provides legal advice and counsel in other areas, including procurement and general administration.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Enewetak Resettlement: Those persons displaced from Enewetak Atoll after World War II who were to be resettled back to their home atoll moved back to Enewetak in fiscal year 1983. The Office continued to advise on the consequences of allowing the Enewetakese to occupy and live on certain islands within Enewetak Atoll that are contaminated with radioactive material in excess of the standards set by the United States for its citizens. A recent study indicates that the fronds of the young nonbearing coconut palm trees on uninhabitated islands contain radioactive material. When these trees bear, the coconuts will be radioactive. The Office will continue to advise the Assistant Secretary concerning the liability of the United States.

2. Study of Applicability of United States Laws to the Territories: Thirteen titles of the United States Code have been analyzed with respect to their impact on the territories and the Trust Territory, with the analyses recorded in memoranda that have been circulated to interested agencies of the Executive Branch for comment. All comments received are reflected in revised memoranda, and such revised versions have been or will be transmitted to the territories and the Trust Territory for comment. In addition, memoranda concerning additional titles of the Code have been drafted by the Solicitor's Office and circulated to Federal agencies, but not yet transmitted to the territories or the Trust Territory.

3. Bikini Trust Fund: During fiscal year 1982, Congress appropriated $20.6 million to be placed in a trust fund, the income of which is to be used for the benefit of the people displaced from Bikini Atoll in 1946 so as to allow

nuclear testing in the area. The fund was established early in fiscal year 1983 and the Office continued to advise concerning the disbursing of payments from the trust income and corpus.

4. Trust Territory of the Pacific Islands: The United States District Court for the Northern Mariana Islands, through a series of decisions, has interpreted the Trusteeship Agreement as having established a "fiduciary" relationship between the United States and the Trust Territory, a relationship not contemplated by the United States when it agreed to become the administering authority for the Trust Territory. One case, Atalig, was reversed on appeal. The plaintiff filed for a writ of certiorari to the U.S. Supreme Court. The Solicitor's Office worked with the Department of Justice on this case, preparing a brief in opposition to issuance of a writ of certiorari.

5. Water Island: The United States owns an island in the harbor of Charlotte Amalie, St. Thomas, Virgin Islands, known as Water Island. It is currently under a lease that expires in 1992. For some time there have been discussions about the disposition of Water Island upon or before the expiration of the lease. The Office analyzed the Department's rights and responsibilities for the administration and eventual sale, lease, or other disposition of Water Island. The Office also worked with the Environmental Protection Agency, NOAA, the Corps of Engineers and the Virgin Islands government regarding possible violations of anti-pollution and other laws by the lessee and his sub-lessees. The Office will continue to provide legal assistance as to the disposition of Water Island and legal issues as they arise.

6. Changing Status of Several Trust Areas: The United States and the Republic of the Marshall Islands and the Federated States of Micronesia have signed a Compact of Free Association. The Compact is awaiting the President's signature. This Office provided and will continue to provide advice on the legal effect of the Assistant Secretary's efforts to coordinate and cooperate with the Office for Micronesian Status Negotiations as they negotiate the conditions for free association of the Republic of Palau.

7. Saipan Hospital: This Office represented the Department in an action filed in U.S. District Court for the District of Columbia by Mideast Systems and China Civil Construction Saipan Joint Venture, Inc. The Assistant Secretary had awarded a grant to the Commonwealth of the Northern Mariana's Government in 1983 for the construction of a hospital in Saipan. The plaintiffs, disappointed bidders on a grantee contract for the hospital construction, sought to enjoin the Department from releasing any additional funds under the grant. The Court dismissed the suit and plaintiffs have appealed. The Government has filed its appellant's brief and will provide oral argument in early 1986.

8. Commonwealth of Northern Mariana Islands (NMI) Covenant Amendments: The seven-year funding for the NMI expired at the end of fiscal year 1985. This Office assisted the Office of Territories in negotiating additional funds for government operations and capital improvement projects for the NMI.

9. Commonwealth of Northern Mariana Islands (NMI) Procurement Code: The Office assisted the government of the NMI by presenting a draft procurement code for possible enactment by the NMI government.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Bikini Resettlement: The Office will continue to provide oral and written legal advice to the Assistant Secretary's Office on the relocation of the people displaced from Bikini Atoll to their home islands, or an alternate location either within or without the Marshall Islands, and on a comprehensive health care program for them. The Office will also continue to provide legal advice to the Assistant Secretary regarding the agreement with the Bikini Atoll Rehabilitation Committee.

2. Virgin Islands Procurement Code: On the request of elected representatives of the Virgin Islands, and with the cooperation of the Governor, this Office anticipates providing assistance in the writing of a procurement code for the Virgin Islands.

3. Litigation Arising from Nuclear Tests: A series of lawsuits were filed claiming some $5.6 billion in damages arising from the testing of nuclear devices in the Marshall Islands in the 1950's. Assistance provided by this Office to the Department of Justice in the conduct of these cases involved litigation reports, strategy meetings, witness preparation, and drafting of pleadings. A provision in the Compact of Free Association moots the cases. The Compact was approved by Congress on December 13, 1985. The Defendants have requested a stay of proceedings pending final approval by the governments of the U.S. and the Marshall Islands. Plaintiff oppose this request. The Office will continue to provide support to the Department of Justice.

4. Applicability of the United States Laws to the Territories: The Solicitor's Office hope has been, and remains, to complete this project by October 1, 1986, but it may not be possible to do. Of the titles remaining to be examined, about two dozen can be accomplished quickly, but about one dozen are extensive and complex, and because expert comment from elsewhere in the Executive Branch is essential to the project, the timing is not wholly within Interior's control. It is probable, however, that in excess of two dozen titles will be accomplished at a minimum during the year.

5. Grant Guidelines: This Office will assist TIA in drafting regulations governing financial assistance to the territories and the Trust Territory, as needed.

6. Wage Discrimination Class Actions: Two cases were filed in Federal District Court in Saipan. Plaintiffs in both cases allege that the practice of compensating the citizens at a rate lower than U.S. citizens is a violation of the Trusteeship Agreement and the plaintiffs' constitutional rights. This Office is working with the Department of Justice.

7. Hawaiian Homes Commission Act: As a consequence of the recommendations of the Federal-State Task Force on the Hawaiian Homes Commission Act, it is expected that a number of actions will be taken in fiscal year 1986 to reflect the continuing responsibility of the Interior Department for certain oversight responsibilities under that Act: federal legislation to evidence U.S. concurrence in certain State amendments to the Act; approval or disapproval by the Secretary of the Interior of land exchanges under the Act; and internal machinery to permit the Department to serve effectively as the lead federal agency on matters arising under the Act that are a federal responsibility.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Marshall Islands Comprehensive Medical Care Plan: The Office anticipates that, following the initial institution of the Comprehensive Medical Care Plan for the Marshall Islands in fiscal year 1985, significant legal advice will be needed as the plan is implemented.

2. Applicability of the United States Law to the Territories: This project, if not completed in fiscal year 1986, should be brought to a close in fiscal year 1987, with each title of the U.S. Code being subjected to analysis as to its impact upon each of the territories, the results of the analysis recorded in memoranda, the circulation of such memoranda to interested federal agencies for comment and the revision of the memoranda to reflect those comments, and the submission of the final product to the chief executives of the territories and the Trust Territory for their information and comment. At the conclusion, the memoranda may require additional revision, prior to publication, to reflect territorial views; and, if then appropriate, the preparation of such legislation as then-current policy warrants to modify federal laws in appropriate ways. Additionally, an addendum to set out in summary form the application of codified laws to Puerto Rico is expected to be undertaken and completed.

OFFICE FOR EQUAL OPPORTUNITY
Client

BASE ACTIVITIES:

The various equal opportunity laws, including Titles VI and VII of the Civil Rights Act, the Rehabilitation Act, the Age Discrimination in Employment Act, and the implementing regulations regularly generate legal questions by various bureaus and offices for both oral and written advice. However, the primary client is the Department's Office for Equal Opportunity (OEO). The Solicitor's Office provides legal counsel and representation under these statutes, as well as case law, rules, regulations, Executive Orders, and the Departmental Manual provisions affecting equal opportunity in the Department and its programs. The Solicitor's Office has the primary responsibility for assisting the Justice Department in representing the Department in all civil litigation where allegations of discrimination are raised. The Solicitor's Office represents the various bureaus and offices in all administrative hearings before a Complaints Examiner of the Equal Employment Opportunity Commission. As needed, the Solicitor's Office also provides training to OEO officials and investigators as well as bureau officials.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Civil Actions: The Office in conjunction with the Justice Department, is currently representing the Department in approximately 11 cases pending in court. Each of these cases is in the pre-trial stage. Ten other cases were completed during fiscal year 1985. Three cases were decided adversely to the Department; three cases were settled, and four cases were decided in favor of the Department.

2. Administrative Complaints: There are approximately 85 cases that are currently pending before the Equal Employment Opportunity Commission (EEOC). Of this number, 50 cases are awaiting a hearing and 35 cases are awaiting EEOC's recommended decision. There have been 22 recommended decisions issued by EEOC in fiscal year 1985 and 19 of these were in favor of the Department. In addition, approximately 17 cases were settled prior to EEOC's recommended decision. On the appellate level, there are approximately 41 cases pending before EEOC's Office of Review and Appeals.

3. Class Action Complaints: One class action complaint was decided at the Departmental level in fiscal year 1985 with a finding of no class discrimination; however, it was determined that six separate cases should be investigated with respect to allegations of individual discrimination. Class complainants have appealed the Department's finding of no discrimination against the class to EEOC and this appeal is still pending. In another accepted class action complaint involving Hispanics (Gerakos case), the parties have, after extensive negotiations, reached a final settlement agreement. Two new class complaints were filed: (1) by Fish and Wildlife Service's equal opportunity managers alleging race discrimination with respect to the classification of equal opportunity positions, and (2) by Equal Rights Advocates alleging sex discrimination against women in the practices for filling law enforcement technican/ranger positions in the National Park Service. Both these complaints are pending with EEOC on the issue of whether they should be accepted or rejected as a class complaint.

4. Legal Opinions: Written legal opinions were issued on a variety of subjects such as: (1) procedural rights relating to mixed-case complaints; (2) the standards applicable to the computation of back-pay; (3) the criteria for determining the amount of attorney fees in Title VII cases; (4) whether the Title VII procedures apply to those in a volunteer service status, and (5) a comprehensive analysis of the court's opinion in Fountain Black v. NPS which held that there was a discriminatory impact in the procedures for classifying certain equal opportunity manager positions. In addition, an extensive review was made of the procedure of using court reporters to take verbatim transcripts in investigation of equal opportunity complaints. It was concluded that other less expensive techniques could accomplish the same purpose, and steps are being considered to implement a change in this procedure. Information memoranda were also provided outlining the legal limitations on lump sum settlements and the award of attorney fees for services at the administrative stage in age discrimination complaints.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Uniform Attorney Fee Guidelines: Solicitor's Office work on this project has been suspended because the Justice Department is reviewing its criteria based on a number of recent court decisions on this issue. It is anticipated that work on this project will resume once the Justice Department completes its review.

2. Grove City College Legislation: It is anticipated that the legislative effort to overturn Grove City College v. Bell, 104 S.Ct. 1211 (1984) will result in extensive Congressional requests for information concerning the Department's implementation of its various financial assistance programs. If such legislation is enacted, it will require a major effort by the Solicitor's Office to review and assess the impact of the legislation on the Department's programs and to make appropriate revisions to the implementing regulations.

3. Departmental Manual Revision: The last significant revision to the Departmental Manual provisions on equal opportunity occurred in June of 1973. A major overhaul of the Departmental Manual as it relates to equal opportunity is contemplated to revise and reorganize the provisions in light of the numerous developments that have occurred. The Solicitor's Office will provide advice on this project as it proceeds.

4. Class Action Complaints: While the Gerakos class action case has been resolved through a settlement, the agreement is a very complex one (some 26 pages). Significant legal work is anticipated relating to implementation and administration of the settlement agreement. Disagreements under the agreement are to be resolved ultimately through the arbitration process which may generate additional work in representing NPS in arbitration proceedings. With respect to the other class action case that is currently on appeal, additional briefs are being filed by the parties. A favorable decision to the Department, which is expected this fiscal year, may result in court litigation. Because this Office will have the primary responsibility to assist the Justice Department in defending the case if it goes to court, a substantial amount of work is anticipated because of the court's expanded discovery powers, the complexities of the case and the volume of documents involved. The two new class actions, involving FWS and NPS, will be ripe for a determination on whether to accept or reject these complaints. If accepted, the cases will

generate substantial activity for the Solicitor's Office as they advance to the discovery stage.

5. Training: Several major projects for training OEO personnel are contemplated concerning such topics as: (1) the rights of various parties to the investigative file under FOIA and the Privacy Act; (2) how to conduct an equal opportunity investigation; (3) techniques for negotiating settlement of equal opportunity complaints, and (4) the applicable legal standards for finding various forms of discrimination or reprisal at the administrative level.

6. Complaint Processing: It is anticipated that there may be a significant increase in the number of complaints that will be scheduled for EEOC hearings based on current backlog figures. There is also the potential that the class action complaints that have been filed and are currently pending may spawn a substantial number of individual complaints once the class action issues are resolved. A substantial increase in the workload is anticipated because of an increased involvement by the Solicitor's Office in reviewing Proposed Dispositions, issued at the bureau level, finding discrimination. This increased review is necessitated because of the finality being accorded to those findings by EEOC and the Department.

7. Court Litigation: Based on the number of new court cases that have already been filed this fiscal year, the Solicitor's Office anticipates an increase in the number of cases that will be filed in court. This results in part from the additional administrative decisions that are being rendered by EEOC.

8. EEOC Recommended Decisions: A new procedure whereby the Solicitor's Office has the opportunity to review and comment on EEOC's recommended decisions prior to issuance of the final agency decision, has added substantially to the workload in light of the number of cases currently pending before EEOC where recommended decisions have been issued or are expected.

9. EEOC's Revision to Title VII Regulations. It is expected that the EEOC's comprehensive revisions to the Title VII regulations that pertain to federal complaints of discrimination appearing in Title 29 of CFR, Part 1613, will be issued as proposed rulemaking in this fiscal year. This will require significant legal input in developing and reviewing the Department's comments.

10. Handicap Regulations. The Department's handicap regulations pertaining to its internal programs and activities have been issued as proposed rulemaking and as a result, a number of substantive comments have been received. Significant legal input will be required to review the comments and prepare the regulations for the final rulemaking stage.

11. New Director for the Office for Equal Opportunity. It is expected that the new Director for OEO will be appointed during this fiscal year. This will require a substantial effort on the part of the Solicitor's Office to brief the new Director on the significant cases and legal issues that are pending before the Department.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

Much of the anticipated increased workload at the administrative level will have become ripe for civil litigation and there may be a significant increase in pending court litigation. The contemplated changes in the retirement system could result in a considerably expanded workforce of individuals in the protected age class and could result in a substantial increase in complaints of age discrimination. As the body of law relating to complaints processing and adjudication and federal financial assistance becomes more sophisticated, there will be an increasing demand to provide timely legal advice and counsel regarding the agency's responsibilities in implementing the various statutory and regulatory requirements. The emphasis on improving the Department's equal opportunity program through training and closer coordination between the Solicitor's Office and the various program offices will continue to make increased demands for legal advice. It is anticipated that the new Title VII and Handicap regulations will have been issued and that significant legal work will be required in interpreting and applying these new regulations. The two new class actions may be ripe for the hearing stage and will require substantial attorney time to prepare and present the agency's case. The legal work relating to the interpretation and implementation of the Gerakos settlement agreement along with the potential for additional arbitration proceedings are expected to extend into this fiscal year. The other class action case currently on appeal at the administrative level may be in District Court in which event substantial attorney time will be required to prepare for trial.

ASSISTANT SECRETARY--POLICY, BUDGET, AND ADMINISTRATION
Client

BASE ACTIVITIES:

The Assistant Secretary--Policy, Budget, and Administration (PBA) is responsible for deciding all appeals to the Department from initial denials of information under the Freedom of Information Act (FOIA) and the Privacy Act. The Solicitor's Office provides advice detailing the legal bases for release or withholding of information.

The Assistant Secretary is responsible for oversight of the Department's regulatory reform and planning programs, coordination with OMB under E.O. 12291 and implementation of the Paperwork Reduction Act. The Solicitor's Office provides legal advice to assist in carrying out these responsibilities.

The Department's designated ethics official requires regular legal service arising from the Ethics in Government Act, the Executive Order covering employee conduct, the criminal provisions of 18 U.S.C. Sections 201-209, the specific prohibitions contained in various Bureau organic statutes, and the Department's employee conduct regulations.

The creation, chartering, and continued operation of various advisory committees within the Department entails periodic legal counsel. This includes assuring that statutory authority for committees exists, and that the committees are structured in accordance with that authority, that the certification and chartering requirements of Section 9 of the Federal Advisory Committee Act are followed, and that the committees continue to function in accordance with various legal requirements.

The Department and its bureaus require representation by legal counsel in complex and significant labor management proceedings before third parties, such as the Federal Labor Relations Authority, the Federal Service Impasses Panel, arbitrators and courts in cases arising under Title VII of the Civil Service Reform Act. The Solicitor's Office provides legal advice and counsel in all matters pending before third parties involving labor-management relations and related labor law issues.

The Assistant Secretary's Office drafts regulations relating to property and contracts; and determines Departmental policy with regard to contracting, grants, cooperative agreements, and property. The Solicitor's Office is frequently consulted by various Interior bureaus and offices regarding government property problems, and is involved in reviewing new regulations and legislative proposals from both the Department and government sources outside Interior. The Office is also consulted on the application of policy and regulations to various specific problems which arise from time to time.

The Director of the Office of Acquisition and Property Management makes mistake-in-bid determinations, with the advice of the Solicitor's Office. Also the Director provides liaison on technical matters on GAO bid protests (the Office of the Solicitor is responsible for filing protest reports to the GAO).

The Assistant Secretary's Office is responsible, on behalf of the Under Secretary, for day-to-day supervision and direction of the Office for Equal Opportunity in such areas as policy, management and administration including personnel and budget. The Solicitor's Office provides legal advice and counsel to the Assistant Secretary's Office with respect to issues that arise in discharging these responsibilities.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Freedom of Information Act Appeals: The Office prepared legal opinions on over 110 FOIA appeals. Litigation under the FOIA arose in five cases. Also, revised regulations to govern Departmental FOIA procedures were drafted.

2. Advisory Committees: The Office reviewed the charters and justifications for approximately 95 advisory committees to assure compliance with the Federal Advisory Committee Act.

3. Personnel Cases: The Office experienced a continued increase in bureau requests for representation before the Merit Systems Protection Board (MSPB), as well as in employee grievance cases before the Office of Hearings and Appeals. There was also an increase in employee petitions for review of MSPB proceedings in the Federal Circuit. In addition to a general increase in the number of contested personnel cases, the development of an extensive body of administrative and judicial precedent as a result of the Civil Service Reform Act has increased the need for attorney representation in personnel cases. The Office expects a continued upward trend in requests for representation through fiscal year 1987.

4. Rulemaking: The Office provided advice to the Assistant Secretary and the bureaus and offices concerning the President's Executive Order on rulemaking, the Administrative Procedure Act, the Regulatory Flexibility Act, and regulatory reform activities. The Office also assisted in development of the Department's submission for the President's regulatory planning process under E.O. 12498.

5. Equal Access to Justice Act: The Act provides for the payment of attorneys fees to certain parties who prevail against federal agencies in administrative and court proceedings. The Solicitor's Office represented the Department in administrative proceedings and assisted the Department of Justice in court actions with regard to such claims filed against the Department.

6. Debt Collection: The Office provided advice regarding the Federal Claims Collection Act of 1966, as amended by the Debt Collection Act of 1982.

7. Ethics: On numerous occasions, the Solicitor's Office was called upon to provide formal legal opinions on novel and complex ethics issues as well as providing legal advice on several technical revisions of the Department's Ethics Regulations.

8. Labor Management Relations: The Office advised on approximately 100 labor management cases in fiscal year 1985. Some of the significant cases included: (1) A major court case filed in the U.S. District Court for Colorado, involving wages of supervisors tied to negotiated wages under a special schedule

authorized by the Office of Personnel Management under the Prevailing Rate Act; (2) management's actions in making changes in organization or operations without notifying and/or bargaining with the union, the Department's disapproval of labor-management contracts, and management's refusal to pay travel and per diem expenses to union representatives; (3) negotiability appeals challenging management's assertion that certain proposals or provisions are not negotiable (e.g., travel and per diem, management rights) one of which is being litigated in the circuit court; (4) interest arbitration or negotiability appeals challenging management's imposition of the various legislative pay caps; and (5) grievances filed by unions claiming violations of the contracts, management's imposition of discipline, and management's actions in using reductions-in-force procedures to convert full-time employees to seasonal status.

9. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA): CERCLA, generally known as Superfund, creates a regulatory framework for cleaning up hazardous waste sites and establishes a fund to finance governmental clean-ups of those sites. The Office provided legal advice and assistance in order to facilitate the timely filing of claims against persons and corporations who are liable for hazardous waste releases which injure natural resources on Interior administered lands. The initiation of these natural resource damage claims will require a significant level of work for the Office. The Office also defended actions brought against the client agencies when they are the owner or operator of hazardous waste facilities. The Office defended litigation brought against the Department involving the development of natural resource damage assessment regulations, and provided legal guidance on the procedural and substantive elements of these regulations.

10. Equal Opportunity: Legal advice and counsel were provided with respect to training for equal opportunity investigators and responding to congressional inquiries. Advice was also provided in drafting responses to Grove City College legislative requests.

11. Bid Protests: The primary responsibility for bid protests to the General Accounting Office (GAO) under the Competition in Contracting Act of 1984 (CICA) is now assigned to the Solicitor's Office. Nearly 100 bid protests were filed in fiscal year 1985 involving major programs of the Department and the filing of bid protests with GAO is expected to continue at this rate. All reports to the GAO are filed by the Office.

12. Federal Acquisitions Regulations Subcommittee on Indemnification: An attorney from the Solicitor's Office was appointed chairman of this Subcommittee to make recommendations to the Federal Acquisitions Regulations Committee on indemnification policy government-wide. The committee recommended clauses for uninsurable risks such as toxic waste cleanings, medical research programs and ultra-hazardous activities.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Freedom of Information Act Appeals: The Office will prepare legal opinions on over 110 FOIA appeals. It is anticipated that the trend of steadily increasing appeals that resumed in fiscal year 1982 will continue to increase through fiscal year 1987. Implementation of any FOIA reform

legislation enacted by the Congress will also increase the workload in this area because of the need to educate the bureaus and offices of the Department concerning the changes.

2. Advisory Committee Charters: Creation of new advisory committees, as well as requirements for renewing existing committee charters, require review of approximately 125 advisory committee charters.

3. Revision of Advisory Committee Part of Departmental Manual: The General Services Administration has promulgated final rules regarding advisory committee management. This necessitated a thorough review and revision of Part 308 of the Departmental Manual, which governs creation and operation of Department advisory committees. The review will be completed in fiscal year 1986.

4. Debt Collection: As the Department implements its revised debt collection procedures and continues to increase its debt collection efforts, legal advice regarding the authorizing statutes and procedural requirements will be required on a frequent basis.

5. Personal Liability: The Office will continue to assist the Department of Justice in representing federal officials who are sued in their personal capacities for their official activities and advise federal officials regarding potential liability.

6. Equal Access to Justice Act: The Office will continue its representation of the Interior Department and assistance to the Justice Department with regard to claims for attorney fees and expenses filed under the Act. Advice has also been provided on legal questions arising from changes in the Act after it was reauthorized in July 1985. The number of claims submitted for attorney fees is likely to increase through fiscal year 1987.

7. Ethics: Legislation establishing a unified government-wide financial disclosure system for non-SES employees will require revision of the Department's current system.

8. Rulemaking: A considerable amount of advice concerning E.O. 12291, the Paperwork Reduction Act and the new regulatory planning process continues. Analysis of affirmative action guidelines may become necessary if EEOC directives are substantially revised as contemplated.

9. Administrative Consolidation: The consolidation of administrative support functions (messenger services, property management, procurement, etc.) will require legal advice and assistance, both with respect to personnel issues and delegations of authority.

10. Labor Management Relations: Unions continue to contest the imposition of the legislative pay caps to negotiated wages, and to pay tied to negotiated wages by a special schedule, by means of court suits, arbitrations or negotiability appeals. Also, a substantial increase is contemplated in both unfair labor practice charges and grievances challenging management's actions in making operational changes such as reassignments, reductions-in-force, reorganizations, contracting out work formerly performed by employees in bargaining units, and in failing to pay travel and per diem expenses to union

representatives. There is a growing trend by unions to seek additional remedies such as backpay and attorney fees in arbitration cases. Unions are continuing efforts to organize unrepresented groups of employees, and to seek legislative changes to increase the scope of bargaining under Title VII of the Civil Service Reform Act. Unions are also increasingly challenging Office of Personnel Management directives which management is obliged to follow. More cases are being filed in the Federal Circuit with the potential that some may reach the Supreme Court.

The issue of whether supervisors whose pay is tied to negotiated rates are subject to the pay cap restriction is pending in Baird v. Sonnek (D. Colo). The National Federation of Federal Employees is challenging a Federal Labor Relations Authority (FLRA) decision in favor of National Park Service's dismissing the union's negotiability appeal involving a management right issue. Extensive briefs will be prepared and filed with FLRA concerning the change in practice involving the use of charge cards and reductions of travel advances for frequent travelers.

11. Equal Opportunity: It is anticipated that legal assistance will be required in drafting and implementing policy changes resulting at the Assistant Secretary level through Departmental Manual and regulatory revisions. As complaint processing and adjudication becomes more complex, Assistant Secretary involvement to resolve internal bureau disagreements will become more prevalent with a corresponding need for legal advice in interpreting applicable provisions. It is anticipated that the Assistant Secretary's Office will also become involved in implementing new contemplated directives from the Equal Employment Opportunity Commission in such areas as affirmative action and uniform employment guidelines which will require additional legal advice. Various training programs in equal opportunity matters will also require Solicitor's Office participation.

12. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA): The Office will continue to provide legal advice and assistance as outlined in fiscal year 1985 and will provide legal opinions, draft regulations and assist the Department of Justice in the defense of litigation brought against the Department.

13. Resource Conservation and Recovery Act (RCRA): The Solicitor's Office will be offering advice and assistance to clients responsible for promulgating regulations which will implement the new RCRA amendments. Although EPA will be primarily responsible for developing the new regulations, the Office anticipates that some Department regulations and manuals which affect small quantity generators of hazardous wastes, deep injection wells, landfills, groundwater monitoring, etc. will have to be revised. Implementation of the new amendment is expected to continue through fiscal year 1987.

14. Procurement: The 98th Congress passed the most significant legislative changes in government procurement since 1949. As a result, the Office is working closely with the Assistant Secretary in administering compliance with all of the legislative and regulatory changes. About two-thirds of the newly promulgated Federal Acquisition Regulations are affected; consequently, Interior's own acquisition regulations will require significant changes. As a

result of the new legislation, responsibilities such as contract review, legal advice and litigation have provided many questions of first impression and increased workload.

15. Bid Protests: The implementation of the new Competition in Contracting Act of 1984 (CICA) will continue as outlined in fiscal year 1985. Additionally, the Office has responsibility for bid protests concerning ADP procurements which are filed with the General Services Board of Contract Appeals pursuant to CICA. Four such bids have been lodged in fiscal year 1986, thus far, and it is anticipated that perhaps another twelve will be filed this year.

16. Federal Acquisitions Regulations Subcommittee on Indemnification: The work of this interagency committee will continue with the drafting of clauses and review of comments from federal agencies and interested parties.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. Debt Collection: As revised administrative procedures resulting from the Debt Collection Act take hold, it is anticipated that the Office will be called upon to assist the Department of Justice in an increasing number of cases.

2. Comprehensive Environmental Response, Compensation and Liability Act (CERCLA): The implementation of the Superfund law will be a significant workload in the Office, and represents an initiative by the Department to implement timely and effectively all elements of this legislation in order to protect the natural resources on the lands administered by this Department as well as to bring appropriate actions against persons and corporations who are liable for hazardous waste releases. In addition, a major effort will be required by the Office to develop the natural resource damage assessment regulations.

3. Labor Management Relations: Increased court litigation challenging the imposition of pay caps and the exercise of management rights will be continuing because of the lack of a body of judicial precedents in the federal sector. Some of the contemplated revisions to the personnel system may spur the unions to become even more active and increasingly challenge agencies, thus generating additional legal work in the area of representations before third parties.

4. Equal Opportunity: The major emphasis will continue to be on improving the Department's program through fine tuning of policy and procedures. The major legal advice will concern these efforts, as well as continued training programs. The Assistant Secretary's Office may also become more involved in the financial assistance area if the contemplated Grove City College legislation is enacted.

5. Bid Protests and Mistakes-in-Bids: The Office of the Solicitor will continue to provide advice in these areas of responsibility.

OFFICE OF THE SECRETARY

Client

BASE ACTIVITIES:

The Office of the Secretary receives legal advice and counsel on numerous matters which are not directly attributable to the programs or activities of a particular bureau or office. Generally, this advice is centered around problems arising out of the administrative operation of the Secretary's Office, such as Freedom of Information Act (FOIA) requests, personnel, travel, and Departmental organization. The Office of the Secretary also frequently calls on the Office of the Solicitor to respond to Congressional correspondence raising legal issues and to review and comment on secretarial issue documents and other policy papers.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

Holocaust Council: Legal advice was provided on various matters concerning the Council. A detailed legal memorandum was prepared for the General Accounting Office advising that the Department believes that the Council is not a Federal "agency" for purpose of applicability of the Federal Property and Administrative Services Act and the Federal Acquisition Regulations. This Office further concluded that the Secretary could legally certify that funds sufficient for the construction of the Museum were available. The Secretary so certified on October 4, 1985. Congress passed and the President signed certain clarifying changes to the functioning of the Council, which this Office will continue to monitor.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Endangered Species Act Exemption Application: The Solicitor's Office, through the Division of General Law, provides legal advice to the Secretary concerning applications for exemptions from the Endangered Species Act. The Secretary serves as Chairman of the Endangered Species Committee, which decides whether to grant the exemption. In early fiscal year 1986 an application was filed by a company seeking a permit from the Army Corps of Engineers to establish a barge fleeting area on the right bank of the Ohio River, near Mound City, Illinois. The species involved is the orangefooted pearly mussel (Plethobasis cooperianus). In January 1986, Solicitor's Office attorneys participated in a hearing on the exemption application as staff to the presiding Administrative Law Judge, who is to submit the record of the hearing to the Secretary. The Secretary will prepare a report to the Endangered Species Committee. The Committee will then render a decision on the application. The decision is expected in May 1986. The Office will provide advice concerning the preparation of the Secretary's report and the consideration of the exemption application by the Endangered Species Committee.

2. The Solicitor's Office will continue to meet the needs of the Office of the Secretary, as they arise.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

The Solicitor's Office will continue to meet the needs of the Office of the Secretary, as they arise.

OFFICE OF THE SOLICITOR
Client

BASE ACTIVITIES:

Aside from responsibility for legal services to the Department, the Office has the primary responsibility for deciding the Department's final position for approximately 75 bid protests before the General Accounting Office (GAO) and the General Services Administration for automated data processing equipment. This involves developing reports, liaison, and adversary hearings before the GAO. In addition, the Office faces legal questions arising from its work, such as personnel actions, Freedom of Information Act, and equal opportunity claims. Much of the legal advice needed for these cases is supplied by the Division of General Law.

FY 1985: MAJOR LEGAL PROJECTS COMPLETED:

1. Management Information System: The Office provided legal advice on contract questions that arose during the period of installation of the system.

2. Tort and Employee Claims: At the end of fiscal year 1985 the Office was working on over 550 administrative tort and employee claims, not including matters in litigation. Said claims were distributed among bureaus and offices within the Department. In addition, there were over 160 tort suits in litigation claiming over $260 million in damages which are distributed among the Department's offices.

3. Solicitor's Regulations Manual: A significant project was commenced to update and revise the Solicitor's Regulations Manual. This is the first major revision since the Manual was issued in January of 1977.

4. Competition in Contracting Act: On April 1, 1985, the final provisions of the Competition in Contracting Act (CICA) of 1984 became effective. CICA represents the most significant changes in federal procurement in twenty-five years. As a consequence of this Act, the year-old Federal Acquisition Regulation (effective April 1, 1984) required substantial revision.

The CICA requires "full and open" competition as the standard procurement procedure and imposes more stringent restrictions on the awarding of sole-source contracts. The law also provides statutory authority for GAO's bid protest functions and authorizes the General Services Administration Board of Contract Appeals (GSBCA) to consider protests involving automated data processing procurements conducted under Public Law 89-306 (the Brooks Act).

The new law requires competition and permits sole-source procurement pursuant to exceptions which are considerably more restrictive than those currently used. More burdensome justification and approval procedures for sole-source procurements are required. Compliance with CICA's full and open competition provisions will require changes in the Department's contracting practices, particularly with regard to increasing the lead time for procurements. Additional time will be necessary for the required justification and approval. Further, should the agency receive bids or proposals in response to its notice to use sole-source procedures, it may well have to institute competitive procedures. The Department's acquisition regulations will be fully revised to conform to these changes.

CICA codifies and strengthens GAO's bid protest functions. New GAO/GSBCA bid protest procedures pursuant to CICA became effective January 15, 1985. Also, the new procedures require urgent handling of all protests, similar to injunctive procedures in courts. Meeting the timetables has required an intensive effort by the Solicitor's Office in conjunction with the affected contracting bureau.

FY 1986: MAJOR LEGAL PROJECTS INITIATED OR COMPLETED:

1. Solicitor's Regulation Manual: This project, which required substantial effort in developing and completing a final product, will be completed.

2. ADP Procurement: A marked increase in ADP bid protest cases filed at the General Services Administration Board of Contract Appeals is anticipated. The Department's procurement planning for ADP calls for significant dollar value increases for such procurement in fiscal year 1986. The result will be increased exposure to such bid protests. The Office will increase its influence at earlier stages of the procurement process in order to insure legally sufficient procurement actions in this highly complex and competitive area.

3. Patent Docket: The Office files on patent applications and issued patents will be phased into a computer program in order to improve the efficiency and accuracy of the patent docket system.

FY 1987: MAJOR LEGAL PROJECTS ANTICIPATED:

1. General Legal Work: The Solicitor's Office anticipates continuing in-house legal service for the Office in the areas outlined under base activities.

General Administration

General administration includes executive direction, the Division of Administration, and central services, including the office-wide estimated costs for the management information system, postage, telecommunications, employee compensation, and administrative and consolidated billings.

Executive Direction

Executive direction is comprised of the Immediate Office of the Solicitor and the Associate Solicitors for Conservation and Wildlife, Energy and Resources, General Law, Indian Affairs, Surface Mining and Audit and Investigation. The Immediate Office of the Solicitor includes the Solicitor, a Principal Deputy Solicitor, a Special Assistant, and supporting secretarial staff. The Solicitor is the chief attorney for the Department and the personal legal advisor to the Secretary. The Solicitor directs the Department's skilled legal staff and is responsible for the legal work of the Department. The Principal Deputy Solicitor acts in the absence of the Solicitor and represents the Solicitor in supervising Associate and Regional Solicitors in connection with all legal, operational and administrative matters as assigned or delegated by the Solicitor and provides legal counsel to the Secretary, the Under Secretary, the Secretariat, and the heads of all bureaus and offices. Further, the Principal Deputy Solicitor supervises the Division of Administration.

Associate Solicitors are responsible for legal matters arising in connection with the programs and activities of the bureaus and separate offices which fall within the program areas of their division. For example, the Division of Energy and Resources is responsible for providing legal support to energy and resource-related programs within the Department.

Division of Administration

This Division is responsible for providing and coordinating the administrative and management support services for the Solicitor. The Division consists of six subdivisions: the Personnel Branch, the Budget and Accounting Branch, the Docket and Records Control Branch, the Management Information Systems Branch, the Management Analysis Section, and the Facilities Management Section.

(1) The Personnel Branch is responsible for the personnel management program. The program encompasses the development of personnel systems and procedures, direction and maintenance of the operational personnel program and the evaluation of results and accomplishments. The Branch provides a full range of personnel management advisory services to the operating divisions, regions, and offices including: position classification, employee relations, recruitment and placement, career development and training, and technical personnel services.

(2) The Budget and Accounting Branch is responsible for the financial management program. The program includes preparation of budget reports and justifications, allocation of resources to Divisions and Regions, monitoring of budget execution, and preparing of financial forecasts and accounting reports. The Branch also provides guidance to Divisions and Regions on financial regulations and procedures.

(3) The Docket and Records Control Branch serves as a control center for tracking of correspondence and litigation and is the official file custodian for the Office. The Branch maintains a Table of Cases which is a cumulative index to litigation arising out of decisions made by administrative review boards. Additionally, the Branch completes the annual report to Congress on Freedom of Information Act matters, maintains litigation briefing books and provides other support services to the Office.

(4) The Management Information Systems (MIS) Branch is responsible for the management information program. The Branch develops, operates, and maintains the Office of the Solicitor's management information systems, and provides training and technical guidance to the Divisions and Regions. The MIS implementation is progressing with training virtually complete. Attorney timekeeping, correspondence tracking and electronic mail systems are operational. Analysis of some enhancements to the System was conducted in fiscal year 1985 and will continue through fiscal year 1987.

(5) The Management Analysis Section ensures that the Reform 88 initiatives (administrative management improvement and productivity, internal control reviews, and grade bulge reduction) are adequately addressed. The section conducts management analysis and organizational staffing studies.

(6) The Facilities Management Section manages the facilities and mechanical operation for the Office. The section provides services such as property management and utilization, space management, supplies management and mail and distribution services.

Central Service Costs

Central service costs are overhead operating expenses associated with providing legal services. These costs include postage charges, telephone and communication services, and administrative and consolidated billings for central services provided by the Office of the Secretary. The central services provided to the Office of the Solicitor include storage and shipping, general services, printing, security and law enforcement, space management, Departmental management issuances and files, the Departmental Training Center, public affairs, administration and management policy, and certain fiscal services.

(dollar amounts in thousands)

General Administration		FY 1986 Enacted	FY 1987 Base	FY 1987 Estimate	Inc.(+) Dec.(-) from FY 1986	Inc.(+) Dec.(-) from Base
Executive Direction	$	636	636	636	---	---
	(FTE-T)	(13)	(13)	(13)	---	---
Division of Administration	$	447	447	447	---	---
	(FTE-T)	(14)	(14)	(14)	---	---
Central Service Costs:						
FTS		300	300	300	---	---
Postage		260	260	260	---	---
Administrative and Consolidated Billings		507	507	507	---	---
Computer Utilization[a]		15	15	15	---	---
Employee Compensation		34	66	66	+ 32	---
Alaska Legislation		15	15	15	---	---
Other		569	597	597	+ 28	---
Subtotal		1,170	1,760	1,760	+60	---
Management Information System		263	263	311	+ 48	+48
Total Requirements	$	3,046	3,106	3,154	+108	+48
	(FTE-T)	(27)	(27)	(27)	---	---

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[a] Computer utilization expenses relate to Departmental central computer services.

Quantitative Workload Data

Productivity measurements have been utilized for the past six years. The compiled data is intended to be used as an indicator by which performance can be measured. These measurements demonstrate staffing needs. Actual workload is included for fiscal year 1985 and estimated workload is included for fiscal years 1986 and 1987. The number of attorney-years shown includes all hours actually worked by the attorneys, including overtime.

Fourteen legal categories describe the average time devoted to an item in a given legal category. The Solicitor, Principal Deputy Solicitor, and Special Assistant are not shown in the productivity tables under "Attorneys Available" since they are not assigned to specific divisions and regions. The legal categories are:

Litigation (Administrative) Surface Mining - Each legal item represents either a formal administrative hearing conducted by an Administrative Law Judge or an appeal to the Interior Board of Land Appeals (formerly the Interior Board of Surface Mining and Reclamation Appeals). The legal work involves reviewing and preparing pleadings, investigating facts, interviewing witnesses, traveling to and inspecting mine sites, attending hearings, examining and cross-examining witnesses, preparing post-hearing orders and motions, conducting legal research and preparing post-hearing briefs to be filed with the Appeals Board. It is noteworthy that a specific number of annual mine inspections is required. There is a current number of mines in each region. Based on the number of mines and the number of required inspections, the number of inspections per year per region is calculated. Excluded from this analysis is the number of inspections from citizens' complaints and violations. Then the number of hearings is determined, which constitutes the administrative litigation process.

Under the review procedures of the Administrative Procedure Act, the average hours per item in this category is twelve. However, the Surface Mining Control and Reclamation Act of 1977 requires a dual review mechanism in its administrative hearing process. Consequently, the Solicitor's Office is required by law to prepare for two kinds of challenges; (1) to establish the fact of the violation and (2) sustain the amount of the proposed assessment for the violation. Therefore, the average hours per item in this category is eighteen.

Litigation (Administrative) Other - Each legal item represents a formal administrative hearing conducted by an Administrative Law Judge. The legal work may involve reviewing and preparing pleadings, investigating facts, interviewing witnesses, attending hearings, examining and cross-examining witnesses, preparing post-hearing orders and motions, conducting legal research and preparing post-hearing briefs. Cases involve matters such as personnel grievances, tort claims, mining claims, Indian claims, and patent disputes. The average hours per item in this category is twenty-eight.

Litigation (Judicial) Surface Mining - Each legal item represent a case presented before a Federal District Court Judge. It is noteworthy that the Interior Board of Land Appeals is the intermediate appellate process between the administrative law judge hearing and the judicial hearing. In addition, a certain percentage of decisions from administrative litigation will be appealed and result in judicial proceedings. If the administrative appeal is decided in favor of the Department of the Interior, then industry can appeal. Moreover, a very large number of cases are expected to be filed by the Office of Surface Mining in Federal Court to enforce cessation orders to gain access to mines and to collect the large number of delinquent civil penalties and unpaid abandoned lands reclamation fees. The average hours per item in this category is six.

Litigation (Judicial) Condemnation Cases - This category involves the same procedures as "Litigation (Judicial)"; however, the subject matter is limited to the acquisition of real property for the United States, for an Interior-related program. The types of action may be initiated by filing of a complaint, a declaration of taking, or an inverse condemnation action. The average hours per item in this category is one.

Litigation (Judicial) Other - Each legal item represents a case presented before a Federal District Court Judge, or an appeal of a decision rendered by a Federal District Court Judge. Judicial proceedings administered by this Office involving matters concerning all Departmental related programs, including the administrative adjudications that are also challenged judicially. The average hours per item in this category is twenty-seven. In the Southwest Region, Judicial Litigation, Other, consists of probate proceedings and will hearings that require about four hours per item.

Counseling - Each legal item represents providing oral legal advice to a client. Counseling actions may be initiated by this Office to anticipate legal problems which will confront the client or in response to specific requests made by the client for interpretive or other legal advice. The average hours per item in this category is one-half.

Review of Regulations - This category represents the total number of regulations being drafted, requiring revision or awaiting legal review within the various organizational components of the Solicitor's Office. The average hours per item in the category is eight.

Review of Legislation - This category includes all pieces of legislation awaiting legal review or drafting by the Solicitor's Office staff. The average hours for the review of legislation is nine.

Review of Administrative Proceedings - This category includes all proceedings before Departmental hearing boards involving the client bureaus for which the Solicitor's Office provides legal counsel. Additionally, it includes tort claims to be resolved without litigation. The average hours per item is eight.

Arbitration and Negotiation - Each legal item represents a session where the attorney participates in the discussion of matters involving settlement cases, negotiation of contracts or cooperative agreements, and the resolution of inter-agency or intra-Departmental disputes. The average hours per item is fourteen.

Opinion Memoranda - Each legal item represents written legal opinions based upon review of statutes, legislative history or judicial decisions that are rendered when oral advice alone is not satisfactory. The average hours per item in this category is eight.

Title Review - This category includes a review of all preliminary and final title opinions issued throughout the Solicitor's Office and those issued by the Justice Department. The average hours per item in this category is one-half.

Contract Review - Legal review of procurement actions by the Solicitor's Office contemplates an examination for legal sufficiency of the entire procurement package. The parameters of a legally sufficient procurement package are defined by reference to the Federal and Interior Procurement Regulations, Comptroller General decisions and judicial interpretations. The Solicitor's legal review examines all potential and actual deficiencies in proposed solicitation, evaluation, and award of the contract. The average hours per item in this category is two.

Administrative and Management - Each item represents time spent on any official "other-than-legal" activity. The average hours per item in this category is two.

OFFICE OF THE SOLICITOR
WORKLOAD ANALYSIS
Table 1 - Fiscal Year 1985

	Litigation															
	Administrative		Judicial													
	Surface Mining	Other	Surface Mining	Condemnation Cases	Other	Counseling	Review of Regulation	Review of Legislation	Review of Admin Dec	Arbitration & Negotiation	Opinion Memoranda	Title Review	Contract Review	Admin & Management	Total	Attorneys Available
CONSERVATION & WILDLIFE																
Legal Items	0	30	0	0	1,962	17,127	835	116	104	15	1,697	916	522	2,506	29,827	
Attorney Years		0.4			2.8	4.1	3.2	0.5	0.4	0.1	6.5	0.1	0.5	2.4	21.0	19
ENERGY & RESOURCES																
Legal Items	0	194	0	50	3,602	35,079	392	96	26	15	2,532	3,391	209	3,063	49,348	
Attorney Years		2.6			6.9	8.4	1.5	0.2	0.1	0.1	9.7	0.8	0.2	3.7	34.2	33
GENERAL LAW																
Legal Items	0	306	0	0	1,148	22,133	131	70	157	0	990	0	2,610	3,026	30,523	
Attorney Years		4.1			2.2	5.3	0.5	0.3	0.6		3.6		2.5	2.9	22.0	20
INDIAN AFFAIRS																
Legal Items	0	97	0	0	2,079	17,122	183	116	131	194	600	916	918	2,088	24,106	
Attorney Years		1.3			5.9	4.1	0.7	0.5	0.5	1.3	2.3	0.1	0.9	2.0	18.6	17
SURFACE MINING																
Legal Items	802	0	5,707	0	0	40,090	600	0	157	15	1,801	0	104	9,187	57,963	
Attorney Years	2.6		16.4			9.6	2.3		0.6	0.1	6.9		0.1	8.8	47.9	41
AUDIT & INVESTIGATION																
Legal Items	0	0	0	0	0	3,758	0	23	0	1	313	0	0	1,044	5,139	
Attorney Years						0.9		0.1			1.2			1.0	3.2	2
ALASKA REGION																
Legal Items	0	157	0	0	887	4,594	52	0	26	15	996	835	104	626	7,792	
Attorney Years		2.1			1.7	1.1	0.2		0.1	0.1	1.9	0.2	0.1	0.6	8.1	8
SOUTHEAST REGION																
Legal Items	0	37	0	209	916	5,011	0	0	104	0	392	2,088	313	1,044	9,616	
Attorney Years		0.5		0.1	0.8	1.2			0.4		1.5	0.5	0.3	1.0	6.3	6
NORTHEAST REGION																
Legal Items	0	67	0	209	470	5,046	0	0	104	15	418	1,670	104	522	9,925	
Attorney Years		0.9		0.1	0.9	1.4			0.4	0.1	1.6	0.4	0.1	0.5	6.4	6
ROCKY MOUNTAIN REGION																
Legal Items	23	172	0	418	2,077	18,792	0	96	104	0	1,279	1,253	2,088	2,610	29,656	
Attorney Years	0.2	2.3		0.2	5.5	4.5		0.2	0.4		4.9	0.2	2.0	2.5	23.0	21
PACIFIC NORTHWEST REGION																
Legal Items	0	172	0	0	1,984	16,704	26	0	52	15	990	1,670	731	2,297	24,591	
Attorney Years		2.3			3.8	4.0	0.1		0.2	0.1	3.6	0.4	0.7	2.2	17.4	16
PACIFIC SOUTHWEST REGION																
Legal Items	0	276	0	0	2,506	20,045	131	23	235	0	1,070	2,923	1,253	3,654	32,116	
Attorney Years		1.7			4.8	4.8	0.5	0.1	0.9		4.1	0.7	1.2	3.5	24.3	19
INTERMOUNTAIN REGION																
Legal Items	0	37	0	0	261	4,176	0	0	26	0	287	916	313	1,253	6,771	
Attorney Years		0.5			0.5	1.0			0.1		1.1	0.1	0.3	1.2	4.8	4
SOUTHWEST REGION																
Legal Items	220	195	139	0	1,775	17,957	26	0	52	0	548	5,925	209	3,758	30,262	
Attorney Years	1.9	2.0	0.4		3.9	4.3	0.1		0.2		2.1	1.3	0.2	3.6	19.5	10
TOTALS																
Legal Items	595	1,699	5,846	886	20,203	228,928	2,376	990	1,278	205	13,313	20,963	8,978	37,980	392,715	
Attorney Years	4.7	22.7	16.8	0.4	36.7	54.7	9.1	1.9	4.9	1.9	51	4.9	8.6	35.4	256.7	230

OFFICE OF THE SOLICITOR
WORKLOAD ANALYSIS
Table 2 - Fiscal Year 1986

	Litigation															
	Administrative		Judicial													
	Surface Mining	Other	Surface Mining	Condemnation Cases	Other	Counseling	Review of Regulation	Review of Legislation	Review of Admin Dec	Arbitration & Negotiation	Opinion Memoranda	Title Review	Contract Review	Admin & Management	Total	Attorneys Available
CONSERVATION & WILDLIFE																
Legal Items	0	30	0	0	1,962	15,951	783	93	104	15	1,590	418	522	2,088	22,506	
Attorney Years		0.9			2.8	3.7	3.0	0.4	0.4	0.1	5.9	0.1	0.5	2.0	19.3	17
ENERGY & RESOURCES																
Legal Items	0	194	0	50	3,682	32,990	392	96	26	15	2,349	2,923	209	3,863	46,659	
Attorney Years		2.6			6.9	7.9	1.5	0.2	0.1	0.1	9	0.7	0.2	3.7	32.9	32
GENERAL LAW																
Legal Items	0	306	0	0	1,146	20,880	104	70	157	0	783	0	2,610	2,714	28,772	
Attorney Years		4.1			2.2	5.0	0.4	0.3	0.6		3.0		2.5	2.6	20.7	17
INDIAN AFFAIRS																
Legal Items	0	97	0	0	2,819	16,206	157	116	131	194	496	418	418	2,088	23,220	
Attorney Years		1.3			5.4	3.9	0.6	0.5	0.5	1.3	1.9	0.1	0.4	2.0	17.9	16
SURFACE MINING																
Legal Items	1,230	0	5,707	0	0	40,090	600	0	157	15	1,801	0	104	9,187	58,891	
Attorney Years	10.6		16.4			9.6	2.3		0.6	0.1	6.9		0.1	8.8	55.4	50
AUDIT & INVESTIGATION																
Legal Items	0	0	0	0	0	3,758	0	23	0	1	313	0	0	1,044	5,139	
Attorney Years						0.9		0.1			1.2			1.0	3.2	2
ALASKA REGION																
Legal Items	0	157	0	0	887	4,594	52	0	26	15	496	835	104	626	7,792	
Attorney Years		2.1			1.7	1.1	0.2		0.1	0.1	1.9	0.2	0.1	0.6	8.1	8
SOUTHEAST REGION																
Legal Items	0	37	0	209	916	5,011	0	0	104	0	392	2,088	313	1,044	9,616	
Attorney Years		0.5		0.1	0.8	1.2			0.4		1.5	0.5	0.3	1.0	6.3	6
NORTHEAST REGION																
Legal Items	0	67	0	209	470	5,096	0	0	104	15	418	1,670	104	522	9,425	
Attorney Years		0.9		0.1	0.9	1.4			0.4	0.1	1.6	0.4	0.1	0.5	6.4	6
ROCKY MOUNTAIN REGION																
Legal Items	23	172	0	418	2,871	17,122	0	96	104	0	1,122	835	1,984	2,297	26,994	
Attorney Years	0.2	2.3		0.2	5.5	4.1		0.2	0.4		4.3	0.2	1.9	2.2	21.5	19
PACIFIC NORTHWEST REGION																
Legal Items	0	172	0	0	1,931	15,069	26	0	52	15	861	1,670	731	2,297	23,624	
Attorney Years		2.3			3.7	3.6	0.1		0.2	0.1	3.3	0.4	0.7	2.2	16.8	11
PACIFIC SOUTHWEST REGION																
Legal Items	0	266	0	0	2,506	19,210	131	21	209	0	940	2,088	1,044	3,445	29,090	
Attorney Years		3.6			4.8	4.6	0.5	0.1	0.8		3	0.5	1.0	3.3	22.9	17
INTERMOUNTAIN REGION																
Legal Items	0	37	0	0	261	4,176	0	0	26	0	287	418	313	1,253	6,771	
Attorney Years		0.5			0.5	1.0			0.1		1.1	0.1	0.3	1.2	4.8	4
SOUTHWEST REGION																
Legal Items	220	144	139	0	1,723	17,122	26	0	52	0	496	5,429	209	3,654	29,219	
Attorney Years	1.9	2.0	0.4		3.3	4.1	0.1		0.2		1.9	1.3	0.2	3.5	18.9	17
TOTALS																
Legal Items	1,473	1,680	5,846	886	20,098	216,905	2,271	417	1,252	285	17,320	18,792	8,665	36,122	320,518	
Attorney Years	12.7	22.6	16.8	0.4	38.5	52.3	8.7	1.8	4.8	1.9	47.2	4.5	8.3	39.6	255.1	226

OFFICE OF THE SOLICITOR
WORKLOAD ANALYSIS
Table 3 - Fiscal Year 1987

	Litigation															
	Administrative		Judicial													
	Surface Mining	Other	Surface Mining	Condemnation Cases	Other	Counseling	Review of Regulation	Review of Legislation	Review of Admin Dec	Arbitration & Negotiation	Opinion Memoranda	Title Review	Contract Review	Admin & Management	Total	Attorneys Available
CONSERVATION & WILDLIFE																
Legal Items	0	30	0	0	1,962	15,951	703	93	104	15	1,59[illegible]	916	522	2,088	22,506	
Attorney Years		0.9			2.0	3.7	3.0	0.4	0.4	0.1	5.4	0	0.5	2.0	19.3	17
ENERGY & RESOURCES																
Legal Items	0	194	0	50	3,602	32,990	392	96	26	15	2,341	2,923	209	3,063	46,655	
Attorney Years		2.6			6.9	7.9	1.5	0.2	0.1	0.1	9	0.7	0.2	3.7	32.9	32
GENERAL LAW																
Legal Items	0	306	0	0	1,198	20,080	104	70	157	0	783	0	2,610	2,714	28,772	
Attorney Years		4.1			2.2	5.0	0.4	0.3	0.6		3.0		2.5	2.6	20.7	17
INDIAN AFFAIRS																
Legal Items	0	95	0	0	2,019	16,206	157	116	131	194	996	418	418	2,088	23,220	
Attorney Years		1.3			5.9	3.9	0.6	0.5	0.5	1.3	1.5	0	0.4	2.0	17.9	16
SURFACE MINING																
Legal Items	1,230	0	5,707	0	0	40,090	600	0	157	15	1,00[illegible]	0	104	9,107	58,091	
Attorney Years	10.6		16.9			9.6	2.3		0.6	0.1	6.9		0.1	8.8	55.4	58
AUDIT & INVESTIGATION																
Legal Items	0	0	0	0	0	3,758	0	23	0	1	313	0	0	1,044	5,139	
Attorney Years						0.9		0.1			1.2			1.0	3.2	2
ALASKA REGION																
Legal Items	0	157	0	0	807	4,594	52	0	26	15	496	835	104	626	7,752	
Attorney Years		2.1			1.7	1.1	0.2		0.1	0.1	1.9	0.2	0.1	0.6	8.1	8
SOUTHEAST REGION																
Legal Items	0	37	0	209	418	5,011	0	0	104	0	392	2,088	313	1,044	9,616	
Attorney Years		0.5		0.1	0.8	1.2			0.4		1.5	0.5	0.3	1.0	6.3	6
NORTHEAST REGION																
Legal Items	0	67	0	209	470	5,846	0	0	104	15	418	1,670	104	522	9,425	
Attorney Years		0.9		0.1	0.9	1.4			0.4	0.1	1.6	0.4	0.1	0.5	6.4	6
ROCKY MOUNTAIN REGION																
Legal Items	23	172	0	418	2,071	17,122	0	46	104	0	1,122	835	1,984	2,297	26,994	
Attorney Years	0.2	2.3		0.2	5.5	4.1		0.2	0.4		4.3	0.2	1.9	2.2	21.5	19
PACIFIC NORTHWEST REGION																
Legal Items	0	172	0	0	1,931	15,069	26	0	52	15	861	1,670	731	2,297	23,624	
Attorney Years		2.3			3.7	3.8	0.1		0.2	0.1	3.3	0.4	0.7	2.2	16.8	15
PACIFIC SOUTHWEST REGION																
Legal Items	0	268	0	0	2,506	19,210	131	21	209	0	966	2,088	1,044	3,445	29,09[illegible]	
Attorney Years		3.6			4.8	4.6	0.5	0.1	0.8		3.7	0.5	1.0	3.3	22.9	17
INTERMOUNTAIN REGION																
Legal Items	0	37	0	0	261	4,176	0	0	26	0	287	418	313	1,253	6,771	
Attorney Years		0.5			0.5	1.0			0.1		1.1	0.1	0.3	1.2	4.8	4
SOUTHWEST REGION																
Legal Items	220	144	139	0	1,723	17,122	26	0	52	0	496	5,475	209	3,654	29,219	
Attorney Years	1.9	2.0	0.4		3.3	4.1	0.1		0.2		1.6	1.5	0.2	3.5	18.9	17
TOTALS																
Legal Items	1,473	1,606	5,846	806	20,096	218,905	2,27[illegible]	41[illegible]	1,252	205	2,32[illegible]	18,79[illegible]	8,665	36,12[illegible]	328,510	
Attorney Years	12.7	22.6	16.8	0.4	36.5	52.3	6.7	1.8	4.8	1.4	47.[illegible]	4.4	8.3	34.6	255.1	226

Increase from 1987 Base

(dollars in thousands)

	FY 1987 Base	FY 1987 Estimate	Difference
$	20,642	20,800	+ 158
(FTE-T)	365	365	---

An increase of $158,000 is proposed for fiscal year 1987. The proposed increase is to provide funding to create a computerized data base of Solicitor's opinions and to purchase terminals to facilitate legal research and increase the ratio of equipment to users in regional and field offices.

Currently, the Solicitor's Office Management Information System (MIS) provides capability of word processing equipment and high-speed transfer of information throughout the regional and field offices and headquarters. In addition to word processing and information transfer, the system has been programmed to track Solicitor's Office correspondence and attorney timekeeping and to provide a nationwide electronic mail system. The system is also used to access Westlaw and Juris, two automated research services utilized by the Office.

The automated data base to be developed would contain selected memoranda, letters, opinions and other documents which could be accessed from all locations in the Solicitor's Office. Currently, this information is available to the attorneys through manual research. Much time must be spent in manually researching the required information, photocopying, and sending via mail or telecommunications to other offices. Access to the automated data base is anticipated to result in savings in research time. Productivity increases of fifteen to thirty percent are anticipated in areas involving this kind of legal research. Since approximately five percent of the attorneys' time is spent on these activities, nationwide savings of two to four attorney years are anticipated after implementation of this system.

Of the requested increase, a total of $30,000 will be utilized for contracting with a commercial firm for converting the data to the automated system. The design for the data base will be developed within the Solicitor's Office.

The Office is also requesting $128,000 for the purchase of an additional terminal in each regional and field office. Usage of the automated research system will require additional terminals in order to allow the attorneys access to the system.

Distribution of Change by Object Class

The object class detail for the proposed $158,000 increase is as follows:

	FTE-T	Amount
Other Services		$ 30,000
Equipment		128,000
Total		$ 158,000

DEPARTMENT OF THE INTERIOR

OFFICE OF THE SOLICITOR

Summary of Requirements by Object Class

(dollar amounts in thousands)

Appropriation: Salaries and Expenses

		1987 Base		1987 Estimate		Inc.(+) or Dec.(-)	
		FTE	Amount	FTE	Amount	FTE	Amount
Object Class							
11.	Personnel compensation:						
11.1	Permanent positions	333	13,613	333	13,613	---	---
11.3	Positions other than permanent	32	870	32	870	---	---
11.5	Other personnel compensation	---	21	---	21	---	---
	Total personnel compensation	365	14,504	365	14,504	---	---
Other objects							
12.1	Personnel benefits: civilian		1,743		1,743		---
13.0	Benefits for former personnel		9		9		---
21.0	Travel and transportation of persons		170		160		- 10
23.1	Rent		2,163		2,163		---
23.3	Other rent, communications, and miscellaneous charges		763		763		---
24.0	Printing and reproduction		190		190		---
25.0	Other services		877		912		+ 35
26.0	Supplies and materials		206		206		---
31.0	Equipment		17		150		+133
	Total requirements		20,642		20,800		+158

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
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DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SALARIES AND EXPENSES

Program and Financing (in thousands of dollars)

Identification code 14-0107-0-1-306	1985 actual	1986 estimate	1987 estimate
Program by activities:			
00.0101 Direct program: Legal services	20,499	20,256	20,800
01.0101 Reimbursable program	129	200	200
10.0001 Total obligations	20,628	20,456	21,000
Financing:			
11.0001 Offsetting collections from Federal funds	-129	-200	-200
25.0001 Unobligated balance lapsing	63	---	---
39.0001 Budget authority	20,562	20,256	20,800
Budget authority:			
40.0001 Appropriation	20,443	20,378	20,800
40.0002 Reduction pursuant to P.L. 98-473	---	-122	---
42.0001 Transferred from other account	119	---	---
43.0001 Appropriation (adjusted)	20,562	20,256	20,800
Relation of obligation to outlays:			
71.0001 Obligations incurred, net	20,499	20,256	20,800
72.0001 Obligated balance, start of year	1,537	1,286	1,489
74.0001 Obligated balance, end of year	-1,286	-1,489	-1,697
77.0001 Adjustments in expired accounts	6	---	---
90.0001 Outlays, excluding pay raise supplemental	20,755	20,053	20,592
(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SALARIES AND EXPENSES

Object Classification (in thousands of dollars)

Identification code 14-0107-0-1-306	1985 actual	1986 estimate	1987 estimate
Diract obligations:			
Personnel compensation:			
111.101 Full-time permanent..........	14,362	13,613	13,613
111.301 Other than full-time permanent..................	94	870	870
111.501 Other personnel compensation.	56	21	21
111.901 Total personnel compensation.	14,512	14,504	14,504
Personnel benefits:			
112.101 Civilian.....................	1,720	1,711	1,743
113.001 Benefits for former personnel	9	9	9
121.001 Travel and transportation of persons....................	161	170	160
123.101 Standard level user charges..	1,824	1,809	2,163
123.301 Communications, utilities, and miscellaneous charges..	755	763	763
124.001 Printing and reproduction....	190	190	190
125.001 Other services...............	877	877	912
126.001 Supplies and materials.......	223	206	206
131.001 Equipment....................	228	17	150
199.001 Subtotal, direct obligations.	20,499	20,256	20,800

(Memo cost: 21.5) (Memo cost: 5) (Memo cost: 5) (Memo cost: 4.9)

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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SALARIES AND EXPENSES

Object Classification (in thousands of dollars)

Identification code 14-0107-0-1-306	1985 actual	1986 estimate	1987 estimate
Reimbursable obligations:			
Personnel compensaton:			
211.101 Full-time permanent..........	91	110	110
211.301 Other than full-time permanent..................	19	57	57
211.501 Other personnel compensation.	1	---	---
211.901 Total personnel compensation.	111	167	167
212.101 Personnel benefits: Civilian	11	18	18
221.001 Travel and transportation of persons....................	---	15	15
231.001 Equipment....................	7	---	---
299.001 Subtotal, reimbursable obligations................	129	200	200
999.901 Total obligations............	20,628	20,456	21,000
(Memo cast: 21.5)	(Memo cast: 5)	(Memo cast: 5)	(Memo cast: 4.8)

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Case 180
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR

PERSONNEL SUMMARY

Identification code 14-0107-0-1-306	1985 actual	1986 estimate	1987 estimate
Direct obligations:			
Total number of full-time permanent positions........................	350	333	333
Total compensable workyears:			
Full-time equivalent employment...	375	365	365
Full-time equivalent of overtime and holiday hours...............	---	---	---
Reimbursable:			
Total number of full-time permanent positions........................	2	2	2
Total compensable workyears: full-time equivalent employment........	3	3	3

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STANDARD FORM 306
July 1966, Bureau of the Budget
Circular No. A-11, Revised.
306-104

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

14-0107-0-1-306	[illegible]	[illegible]	[illegible]
Executive level IV	1	1	1
Subtotal	1	1	1
ES-6	2	2	2
ES-5	3	3	3
ES-4	11	11	11
ES-3	2	2	2
ES-2	1	1	1
ES-1	1	1	1
Subtotal	20	20	20
GS/GM-15	52	66	67
GS/GM-14	96	95	93
GS/GM-13	32	29	27
GS-12	37	27	26
GS-11	16	16	14
GS-10	1	2	2
GS-9	6	6	6
GS-8	12	12	12
GS-7	52	53	56
GS-6	26	33	34
GS-5	27	26	31
GS-4	6	6	11
GS-3	2	2	2

[illegible]

[illegible]

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised

DEPARTMENT OF THE INTERIOR
OFFICE OF THE SOLICITOR
SALARIES AND EXPENSES

DETAIL OF PERMANENT POSITIONS

14-0107-0-1-306	1985 actual	1986 estimate	1987 estimate
Subtotal....................................	342	342	342
Total permanent positions..............	363	363	363
Unfilled positions, end of year............	-11	-28	-28
Total permanent employment, end of year	352	335	335

DEPARTMENT OF THE INTERIOR

FY 1987 Budget for Consulting Services

Bureau: Office of the Solicitor

Appropriation Account Title/Iden. Code No.	Amount Requested in 1987	Program Requiring Services	Description of Need for Services
Salaries and Expenses (14-0107-0-1-306)	20	S&E	The $20,000 is requested in the event it is necessary to obtain expert advice at short notice.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUDGET JUSTIFICATIONS, F. Y. 1987

March 3, 1849

NOTICE: These budget justifications are prepared for the Interior and Related Agencies Appropriations Subcommittees. Approval for release of the justifications prior to their printing in the public record of the Subcommittee hearings may be obtained from the Subcommittees through the Office of Budget of the Department of the Interior.

OFFICE OF INSPECTOR GENERAL

OFFICE OF INSPECTOR GENERAL

FISCAL YEAR 1987 BUDGET JUSTIFICATIONS

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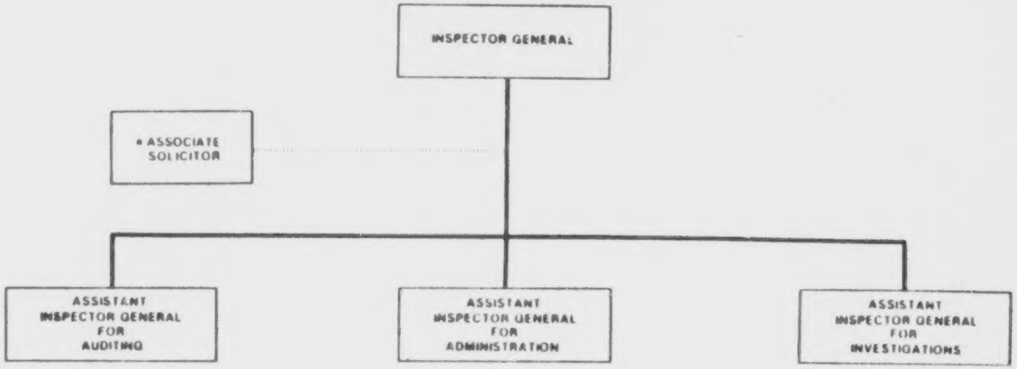
U.S. DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL


INSPECTOR GENERAL
* ASSOCIATE SOLICITOR
ASSISTANT INSPECTOR GENERAL FOR AUDITING
ASSISTANT INSPECTOR GENERAL FOR ADMINISTRATION
ASSISTANT INSPECTOR GENERAL FOR INVESTIGATIONS

* Part of Office of Solicitor Organization but reports to Inspector General

August 1984

GENERAL STATEMENT

The Inspector General Act of 1978, P.L. 95-452, created the Office of Inspector General (OIG) within the Department of the Interior.

The purpose of this law includes: (1) conducting and supervising audits and investigations relating to programs and operations of the Department of the Interior (DOI); (2) providing leadership and coordination and recommending policies for activities designed to (a) promote economy, efficiency, and effectiveness in the administration of, and (b) prevent and detect fraud and abuse in, such programs and operations; and (3) providing a means for keeping the head of the establishment and the Congress fully and currently informed about problems and deficiencies relating to the administration of such programs and operations and the necessity for and progress of corrective action.

Comparison of 1987 estimate with 1986 President's Budget

(Dollar amounts in thousands)

Appropriation Requested		FY 1986 Enacted to Date	FY 1986 Adjusted Appn.	FY 1987 Estimate	Inc.(+) or Dec.(-) from Enacted	Perm. Employ. 12/31/85
Audit	($)	10,767	10,304	10,916	+149	
	(FTE)	(218)	(218)	(218)		(214)
Investigations	($)	2,399	2,296	2,430	+31	
	(FTE)	(48)	(48)	(48)		(48)
Administration	($)	2,951	2,824	2,954	+3	
	(FTE)	(23)	(23)	(23)		(18)
Total	($)	16,117	15,424	16,300	+183	
	(FTE)	(289)	(289)	(289)		(280)

Highlights of the 1987 Request

The OIG will emphasize audits of the Royalty Management System including royalty payers; administration of programs by the Bureau of Indian Affairs (BIA) and tribal governments; the financial management systems and revenue producing activities of territorial governments; and, selected water projects and audits covering departmental activities. Investigations will continue to focus on the detection of contract and computer assisted fraud.

To differentiate costs associated with the mission of OIG from overhead, all centrally provided services, such as SLUC and communications, are now included in the Administration activity. Previously, these costs were allocated across OIG's three activities.

The proposed 1987 budget request reflects a net increase of $183,000 above the 1986 enacted amount. The major changes between the 1987 base and the 1987 request are as follows:

(Dollar amounts in thousands)

	Total FY 1987 Increase Requested	
	(FTE)	($)
Decrease for departmentwide travel reduction.	--	-98
Increase to purchase microcomputers and to replace equipment past its life expectancy.	--	+65
Increase for DCAA and HHS purchased audits.		+200
Increase for benefits associated with change of duty station costs.	--	+16
TOTAL		+183

Authorizing Legislation

The Inspector General Act of 1978, P.L. 95-452.

OFFICE OF INSPECTOR GENERAL

Federal Funds

General and special funds:

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General, [$16,214,000] *$16,300,000 (Department of the Interior and Related Agencies Appropriations Act, 1986, as included in Public Law 99-190).*

Appropriation Language Citation

Appropriation: Office of Inspector General

1. For necessary expenses for the Office of Inspector General, 5 U.S.C. Appendix

   5 U.S.C. Appendix provides for the establishment of the Office of Inspector General as an independent and objective unit within the Department of the Interior to conduct and supervise audits and investigations related to Department programs and operations.

OFFICE OF INSPECTOR GENERAL

Activity/Subactivity Change Crosswalk - FY 1986 Estimate

(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission

Appropriation/Activity	Amount 1986 Estimate
(1) Audit	$12,922
(2) Investigations	2,260
(3) Administration	935
Total	$16,117

Format of Fiscal 1987 Congressional Budget Submission

Appropriation/Activity	Amount 1986 Estimate
(1) Audit	$10,767
(2) Investigations	2,399
(3) Administration	2,951
Total	$16,117

Activity/Subactivity Change Crosswalk - FY 1987 Request

(In thousands of dollars)

Format of Fiscal 1986 Congressional Budget Submission

Appropriation/Activity	Amount 1987 Request
(1) Audit	$13,069
(2) Investigations	2,288
(3) Administration	943
Total	$16,300

Format of Fiscal 1987 Congressional Budget Submission

Appropriation/Activity	Amount 1987 Request
(1) Audit	$10,916
(2) Investigations	2,430
(3) Administration	2,954
Total	$16,300

Note: While this activity/subactivity crosswalk does not actually reflect changes to the OIG's activity/subactivity structure, it does reflect the shift of resources associated with centrally funded overhead costs that were in the Audit and Investigations activities to the Administration activity. The FY 1986 crosswalk also reflects a reprogramming of $250,000 from Audit to Investigations.

Summary of Requirements

Appropriation: Office of Inspector General

Summary of Base Adjustments

(Dollar amounts in thousands)

	FTE-T	Amount	FTE-T	Amount
Appropriation currently available, 1986	--	--	289	16,117
PL 99-177 Reduction	--	--	--	(693)
Adjusted FY 1986 Appropriation	--	--	289	15,424
Adjustments to Base:				
Adjustments for FY 1986 impact of P.L. 99-177	--	693		
Total adjustments to base	--	693		
1987 Base Budget			289	16,117
Program changes (changes to base budget, detailed below)			--	183
Total requirements (1987 estimate)			289	16,300

	1985 FTE-T	Actual Amount	1986 Enacted To Date FTE-T	1986 Enacted To Date Amount	PL 99-177 Reduction	1986 Adjusted Appropriation	1987 Base FTE-T	1987 Base Amount	1987 Estimate FTE-T	1987 Estimate Amount	Inc.(+) Over 1986 Enacted FTE-T	Inc.(+) Over 1986 Enacted Amount	Inc.(+) Over 1986 Adjusted Approp.	Inc.(+). Over 1987 Base FTE-T	Inc.(+). Over 1987 Base Amount
Audit	230	11,401	218	10,767	-463	10,304	218	10,767	218	10,916	--	+149	+612	--	+149
Investigations	51	2,530	48	2,399	-103	2,296	48	2,399	48	2,430	--	+31	+134	--	+31
Administration	23	2,977	23	2,951	-127	2,824	23	2,951	23	2,954	--	+3	+130	--	+3
	304	16,908	289	16,117	-693	15,424	289	16,117	289	16,300	--	+183	+876	--	+183

Justification of Base Adjustments
Office of Inspector General

	FTE	Amount ($000)
Adjustment for FY 1986 P.L. 99-177 B.A. Cancellations.......	--	+693

The Balanced Budget and Emergency Deficit Control Act of 1985 (P.L. 99-177) requires a 4.3 percent reduction in non-exempt programs in FY 1986. Since the 4.3 percent reduction applies to FY 1986 only, this adjustment is made to allow a more comparable basis for showing program changes from FY 1986 to FY 1987.

Justification of Program and Performance

Activity: Audit

(Dollar Amounts in Thousands)

	FY 1986 Enacted To Date	1986 Adjusted Appropriation	FY 1987 Base	FY 1987 Estimate	Inc. (+) or Dec. (-)
($)	15,767	15,316	15,767	15,916	+149
(FTE-P)	(319)	(319)	(319)	(319)	(---)

Gramm - Rudman - Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
Audit	15,767	-451	15,316

As a result of the 1986 (Gramm-Rudman) P.L. 99-177 reduction, a corresponding number of audits will be deferred. These audits include internal audits of energy and minerals and audits of territorial and Indian activities. A reduction in travel funds will curtail some audits which require travel to field locations.

The 1987 budget justification for Audit is presented in three sections:

. Section 1 provides background information on the authority and structure of the OIG, a summary of audit results for fiscal year 1985, and a profile of the Department.

. Section 2 describes the base program and includes presentations on workload distribution and suggested audits for fiscal year 1987.

. Section 3 describes how OIG will use the $149,000 increase.

1. BACKGROUND

Authorization

The OIG is authorized by Public Law 95-452, the Inspector General Act of 1978, to conduct and supervise audits of the Department's programs and operations. Additionally, on October 15, 1982, the functions, powers and duties of the U.S. Comptrollers for the Virgin Islands, American Samoa, Guam, Northern Mariana Islands and the Trust Territories of the Pacific Islands were transferred to the OIG in accordance with P.L. 97-357.

Objectives

a. To promote economy, efficiency and effectiveness in the administration of the programs and operations of the Department.

b. To prevent and detect fraud and abuse.

c. To increase the amount of audit recoveries.

d. To ensure timely compliance with OIG recommendations.

Audit Results

During fiscal year 1983, OIG issued 679 audit reports, negotiated 265 indirect cost rates, and identified $173 million in potential audit recoveries and cost efficiencies. Some of the more significant audits are summarized below:

Millions of Dollars	
$ 50.0	Eleven reports identified a total of $50 million in potential underpayments of royalties by oil and gas companies.
3.4	A report on the American Samoa Department of Port Administration identified efficiencies in the excise tax system that could increase revenues by about $3.4 million a year.
3.0	An audit of the Navajo Social Services program identified potential savings and recoveries of about $3 million.
2.0	As a result of an audit of phosphate lessees, a District Court in Idaho ruled that over $2 million of royalties were due to the U.S. Government.
0.6	A review of audits conducted by the Office of Surface Mining (OSM) of fee payments made by coal operations identified deficiencies in 82 of 83 audits, $192,000 of unreported fees, and $426,000 which had been identified by OSM but never billed to the operators.

Department Profile

The Department has about 70,000 full-time equivalent employees, spends about $6.5 billion a year, collects revenues of about $7 billion a year and is geographically dispersed to over 2,000 locations. Interior programs are responsible for leasing oil, gas and other minerals on the outer continental shelf; managing the conservation and development of 310 million acres of public land; regulating coal mining operations at 10,000 mines; providing irrigation service, municipal and industrial water supplies, hydroelectric power and flood control to 17 western states; running the 334 sites of the national park system; managing 417 national wildlife refuges and 69 fish hatcheries; servicing over 500 Indian tribes and Alaska Native Villages; and promoting political, economic and social development in the U.S. Territories.

2. BASE PROGRAM

The OIG places its resources on the most critical activities on the basis of the amount of dollars involved, program needs and characteristics, Congressional/Department/public concerns, and prior audit coverage/results. For fiscal year 1987, audits covering activities in the following areas are proposed:

- Royalty Management Program
- Financial condition of water development projects
- Land acquisitions for Fish, Wildlife and Parks
- Maintenance of Indian facilities
- Revenues and control of expenditures by territorial governments

Workload Distribution

The audit work of the OIG is divided into two broad categories, internal and contract and grant. The internal audit effort, generally performed by OIG staff, involves program reviews and evaluations; audits of functions and organizational entities; and audits of third parties, such as oil and gas lessees, Indian tribes, and territorial governments. Contract and grant work includes reviewing costs proposed and claims by contractors and grantees, negotiating indirect cost agreements and providing technical assistance and oversight for audits performed in accordance with the Single Audit Act. The contract and grant effort is also supplemented by audit services performed by other Federal agencies on a reimbursable basis.

Audits are performed on the basis of criteria established in the Inspector General Act of 1978 and other legislation, Office of Management and Budget (OMB) Circulars, the Code of Federal Regulations, concerns expressed by the President's Council on Integrity and Efficiency, the Congress, requests from Department managers and by the Inspector General.

On the basis of proposed audits for fiscal years 1986 and 1987, OIG expects to issue the following number of reports: a/

	Estimated 1986	Estimated 1987
Audits of programs, functions and organizational entities	149	126
Contract and grant audits conducted by the OIG staff	184	172
Purchased audits	89	207
Single audits of grantees	120	617 b/
Subtotal	542	1,122
Indirect Cost Proposals:		
BIA	180	150
Other	100	105
Subtotal	280	255
Total	822	1,377

Listings of suggested audits for each component of the major program areas are presented on the following pages.

---

a/ It is the policy of the OIG to weigh planned audits versus special requests and critical events that occur during the work year. This results in changes to the audit work plan and changes to the number of reports that will be issued.

b/ Represents the impact of the implementation of single audits by state and local governments, Indian tribes, and by Federal agencies, pursuant to the Single Audit Act of 1984 (P.L. 98-502) and OMB Circular A-128, which was issued during April 1985.

Fiscal Year 1987 Suggested Audits

The audits listed in the following presentations are estimates of the audit priorities for fiscal year 1987. These priorities may change on the basis of Presidential, Congressional, OMB, and Departmental concerns and OIG re-evaluation of audit priorities over the next year. The listings provide a descriptive title and the expected number of reports.

Land and Minerals Management

Title	Number of Reports
Bureau of Land Management	
Selected Contracts and Grants	19
Energy and Minerals Management Fluid and Solid Minerals	3
Employee Responsibility and Conduct	1
Oversight of Simultaneous Oil and Gas Leasing Program and Automated Land Management Record System Development	2
Minerals Management Service	
Selected Contracts and Grants	4
Review of Selected Royalty Management Activities	5
Operation and Management of the Royalty Compliance Division	1
Royalty Management Program Systems Development and Operation	2
Automated Financial System Internal Controls	1
Mineral Lease Payments	6
Office of Surface Mining	
Selected Contracts and Grants	11
Abandoned Mine Reclamation Fund Fee Collection Management Information System	1
Compliance with Court Order Relative to the Two Acre Exemption	1

Water and Science

Title	Number of Reports
Bureau of Reclamation	
Selected Contracts and Grants	89
Financial Status of Major Reclamation Projects	2
Management of Construction Contracts	1
Employee Responsibility and Conduct	1
ADP Security Program - Payroll	1
Bureau of Mines	
Selected Contracts and Grants	21
Geological Survey	
Selected Contracts and Grants	22
Information Resource Management and Operations for Selected ADP Centers	2

Fish, Wildlife and Parks

Title	Number of Reports
Fish and Wildlife Service	
Audits of Selected Contracts and Grants	19
Construction Activities	2
Followup Review of Accounting System	1
Land Acquisition	1
National Park Service	
Selected Contracts and Grants	80
Visitor Protection and Safety	4
Land Acquisition	1

Indian Affairs

Title	Number of Reports
Selected Contracts and Grants	74
Oversight of Single Audit - Indian Tribes	225
Indirect Cost Proposals - Indian Tribes	150
Weapons Accountability	2
Indian School Equalization	1
Facilities Operation and Development	3
Personnel Practices	1
Self-Determination Services	2

Territorial and International Affairs

Title	Number of Reports
American Samoa	
Selected Contracts and Grants	3
Fiscal Year 1986 Financial Statements	1
Indirect Cost Proposals	1
Single Audit Implementation	1
Special Assignments	1
Privatization Efforts	1
Guam	
Selected Contracts and Grants	7
Special Assignments	4
Financial Statements	1
Selected Revenue Sources	2
Selected Procurement Activities	2
Selected Payroll and Personnel Activities	2
Selected Budget, Appropriation, Allotment, and/or Certification Processes	2
Selected Financial Management Information Systems	2
Selected Organizational Structures	1

Title	Number of Reports
Mariana Islands	
Special Assignments	2
Financial Statements	1
Selected Revenue Sources	2
Selected Procurement Activities	1
Selected Payroll and Personnel Activities	1
Selected Budget, Appropriation, Allotment, and/or Certification Processes	1
Selected Financial Management Information Systems	1
Selected Organizational Structures	1
Multi - Government (Guam, Marianas, Palau)	
Selected Contracts and Grants	6
Single Audit Implementation	1
Indirect Cost Proposals	1
Annual Report on Governments	1
Palau	
Financial Statements	1
Selected Revenue Sources	1
Selected Procurement Activities	1
Selected Payroll and Personnel Activities	1
Selected Budget, Appropriation, Allotment, Financial Management Information Systems	1
Selected Organizational Structures	1
Trust Territory Government	
Special Assignments	1

Title	Number of Reports
Virgin Islands	
Special Assignments	3
Financial Statements	1
Key International Accounting Control Systems	1
Law Enforcement Activities	1
Scholarship Funds	1
Indirect Cost Proposals	1
Water and Power Authority	1
College of the Virgin Islands	1
Food Stamp Program	1
Vocational Rehabilitation	1
Small Business Agency Loan Program	1
Work Incentive Program	1
Compact Governments (Federated States of Micronesia, Marshall Islands, and Palau)	
Financial Statements	3
Special Assignments	2

Office of the Secretary

Title	Number of Reports
Selected Contracts and Grants	24
Administrative Systems Centralization	1

Multi - Office Audits

Title	Number of Reports
Oversight of Single Audit - State Agencies	392
Indirect Cost Proposals	105
OMB Circular A-123 - Internal Controls	6
Special Assignments	10
OMB Circular A-50 - Audit Followup	1

Multi - Office Initiatives

Title

Interagency Projects Initiated by the President's Council on Integrity and Efficiency

Maintenance of Audit Inventory and Coordination with the Department on Management Improvement Initiatives

Development of the FY 1988 Audit Plan and FY 1989 Budget

Audit Followup and Trend Analysis

Special Assignments (e.g. hotlines, special requests, etc.)

Analysis and Quality Control of Audits Performed by Non-DOI Auditors

Audit Assistance on Investigative Cases

Semiannual Report Preparation

Quality Assurance Reviews

ADP Audit Support

3. INCREASE FROM 1987 BASE

(Dollar amounts in thousands)

	1987 Base	1987 Estimate	Difference
$	10,767	10,916	+149
(FTE-T)	(218)	(218)	(--)

Changes to 1987 Base

Travel

Departmentwide travel reductions will require curtailing travel to field locations.

Other Services

The increase will be used to purchase audit services from other Federal agencies in order to supplement OIG reviews of departmental contractors and grantees.

Equipment

The increase will be used to purchase microcomputers to improve communications between regional offices and headquarters and to enhance auditor productivity through the use of ADP auditing techniques.

Distribution of change by object class

The object class distribution of the requested increase of $149,000 is as follows:

	Amount
Travel and Transportation of Persons	- $ 96
Other Services	+ 200
Equipment	+ 45
Total	$149

Justification of Program and Performance

Activity: Investigations

(Dollar amounts in thousands)

	FY 1986 Enacted To Date	1986 Adjusted Appropriation	FY 1987 Base	FY 1987 Estimate	Inc. (+) or Dec. (-)
($)	2,399	2,296	2,399	2,430	+ 31
(FTE-T)	(48)	(48)	(48)	(48)	(—)

Gramm - Rudman - Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
Investigations	2,399	-103	2,296

As a result of the $103 thousand P.L. 99-177 reduction, travel and moving costs will be reduced. OIG will be unable to fill the investigative vacancy in the Virgin Islands; consequently, OIG may not be able to respond to requests from the U.S. Attorney. The situation in Alaska is similar to the one in the Virgin Islands. As a result of Gramm - Rudman - Hollings reductions, travel and per diem in Alaska will be limited.

The 1987 budget justification for Investigations is presented in three sections.

. Section 1 provides information on the authority of the Office of Inspector General and background material on the objectives of OIG Investigations.

. Section 2 describes the base program and provides a summary of investigative results for fiscal year 1985.

. Section 3 presents the justification for an increase of $31,000.

1. BACKGROUND

Authorization

The activities of the Office of Inspector General are authorized by Public Law 95-452, the Inspector General Act of 1978, and 5 U.S.C. (app.).

Objectives

In DOI, as in other Government agencies, enormous sums of money are spent on programs of extraordinary complexity. Some of these programs receive a minimum of oversight by program officials. The objective of OIG's investigations is to establish a sufficiently credible presence to cause a reasonable level of deterrence from fraudulent conduct. The OIG must be able to raise, in the mind of the unscrupulous, the spectre of exposure and punishment. Therefore, OIG efforts are directed to the following three categories ranked in descending order of importance:

1. Criminal Cases (Indictments)

2. Civil Fraud Cases (Dollar Recoveries)

3. Administrative Cases

At first glance, it would appear that cost benefit ratios could best be determined from dollar recoveries and that civil frauds, not criminal cases, should be ranked first. But in civil cases, even where fraud is involved, the Government must make an evidentiary showing for all damages alleged. OIG must prove that each dollar claimed was wrongfully taken and the OIG may not, for instance, use extrapolation or statistical inference to expand its claim. The evidentiary burden on the Government, of showing the entire extent of the damages, often makes such a course impossible or, at best, unrealistic. For that reason, unscrupulous contractors and grantees are willing to play the percentages. If they can obtain X dollars by fraud with the reasonable expectation that if they are caught the Government will only be able to prove a fraction of the X dollars, then fraud becomes an economically sound practice. If, on the other hand, OIG directs the bulk of its efforts toward indictments in criminal cases, then the corporation or grantee is subject to the public humiliation of indictment, the possibility of incarceration and the certainty of debarment. The resulting economic loss can be devastating, and if grantees, contractors, and marginal employees believe there is a possibility of such consequences, fraud is no longer an economically sound practice. Often a single indictment, in a given sector of departmental programs, establishes a presence that keeps fraud at a minimum in that sector. On the other hand, OIG does not neglect civil fraud cases as adjuncts to criminal cases since the dollar recoveries represent a measurable return to the Government. Administrative actions are the least significant of the three categories because they generally lack the capacity to induce the fundamental systemic or behavioral changes that often result from indictments or substantial civil judgements. However, the suspension and debarment of contractors or other recipients of Federal assistance is becoming more effective in deterring fraudulent conduct.

2. BASE PROGRAM

OIG's base program is designed to provide adequate investigative coverage of the broad spectrum of DOI programs that are geographically scattered throughout the continental U.S., Guam, American Samoa, and the Trust Territories of the Pacific. In a time of declining resources and increasing demands for those resources, OIG has had to limit its investigative coverage in Alaska and the Virgin Islands because of the disproportionately high costs of maintaining resident agents and/or temporary duty coverage in these areas.

At the end of FY 1985, 354 cases were under active investigation. During the year, OIG obtained 68 criminal indictments with an additional 29 cases in Grand Jury with indictments pending, 124 administrative actions, and $94,693 in recoveries, with an additional $4,185,436 filed in civil actions but not yet adjudicated. OIG accomplished all of this with 36 special agents, 12 support personnel and an exceptional rate of productivity. Among the more notable cases that OIG initiated or participated in were:

- The conviction of a staff member in the Virgin Islands Attorney General's Office for embezzlement.
- The conviction of the President, Vice President, Legal Counsel and Comptroller of the Development Bank of America Samoa for a $128,000 embezzlement.
- The conviction of a DOI-Lands Operations Officer for a $50,000 embezzlement.
- The conviction of a DOI employee for accepting a $22,000 bribe in a conspiracy to defraud DOI of $78,000 through $400,000 of improper sales of mobile homes.
- The conviction of a DOI employee for conflict of interest, bid rigging and perjury in a $55,000 contract.
- The conviction of a DOI employee for filing false claims against the Government.
- The indictment and conviction of the 12 top officials of the Guam (Interior Trust Territory) Department of Education, including the Director (a former State Senator) and the Financial Affairs Administrator, who conspired to extort over a half million dollars in bribes in return for awarding contracts.
- The indictment and conviction of 13 officers and employees of two sales firms for a 1.5 million dollar fraud in a Bureau of Land Management leasing lottery.
- The indictment and conviction of a Bureau of Indian Affairs Credit Officer and five co-conspirators for embezzlement.
- The indictment and conviction of 21 present and former DOI employees in a $65,000 fraud.
- The indictment of a corporation and its president for supplying shoddy structural components in a Bureau of Reclamation dam project.
- The indictment of a tribal chairman and treasurer in a scheme to defraud the tribe.

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Justification of Program and Performance

Activity: Administration

(Dollar amounts in thousands)

	FY 1986 Enacted To Date	1986 Adjusted Appropriation	FY 1987 Base	FY 1987 Estimate	Inc. (+) or Dec. (-)
($)	2,951	2,824	2,951	2,954	+ 3
(FTE-P)	(23)	(23)	(23)	(23)	(--)

Gramm - Rudman - Hollings Impact

	1986 Enacted to Date	P.L. 99-177 Reduction	1986 Adjusted Approp.
Administration	2,951	-127	2,824

As a result of the $127 thousand P.L. 99-177 reduction, OIG will eliminate or reduce planned purchases of equipment to upgrade word processing and computer systems, and will reduce the current level of maintenance on electronic data and word processing devices and other equipment. The reductions to the purchase and maintenance of equipment may have an adverse impact on the productivity of the workforce.

Authorization

The activities of the Office of Inspector General are authorized by Public Law 95-452, the Inspector General Act of 1978 and 5 U.S.C. Appendix.

Objectives

Provides management and administrative services for the Office of Inspector General.

Base Program

The Office of the Assistant Inspector General for Administration manages, coordinates, and conducts functions of the Office relating to program planning, budgeting, finances, personnel, training, procurement, contracting, communications, management and administrative services, internal reviews, legislative and intergovernmental affairs, and public information; develops, signs and issues all OIG administrative management policies; coordinates the development, signs and issues all other policies and procedures relative to OIG activities; manages OIG electronic data processing equipment; supervises OIG information processing; and conducts other studies.

CHANGES FROM THE 1987 BASE

The increase is to replace OIG word processing equipment, which will be past its life expectancy. Consequently, the technology will no longer be current and the existing equipment will have mounting maintenance problems. The reduction of $2,000 will be accomplished by reducing travel for administrative purposes.

Distribution of change by object class

The object class detail for the proposed $3,000 change is as follows:

	Amount
Travel	- $2
Equipment	+ $5
	$3

Summary of Requirements by Object Class

(Dollars amounts in thousands)

Appropriation: Office of the Inspector General

Object Class		1987 Base		1987 Estimate		Inc. (+) or Dec. (-)	
		FTE	Amount	FTE	Amount	FTE	Amount
11	Personnel Compensation:						
11.1	Permanent positions...............	286	9,671	286	9,671	--	--
11.3	Positions other than permanent...	2	50	2	50	--	--
11.5	Other personnel compensation.....	1	299 (a)	1	299 (a)	--	--
	Total personnel compensation...	289	10,020	289	10,020	--	--
	Other Objects						
12.0	Personnel benefits...............		1,584		1,600	--	+ 16
13.0	Benefits for former personnel....		8		8	--	--
21.0	Travel and transportation of persons........................		2,223		2,125	--	- 98
22.0	Transportation of things.........		136		136	--	--
23.1	Standard level user charges......		796		796	--	--
23.2	Other rent, communications and utilities......................		270		270	--	--
24.0	Printing and reproduction........		108		108	--	--
25.0	Other services...................		822		1,022	--	+200
26.0	Supplies and materials...........		90		90	--	--
31.0	Equipment........................		60		125	--	+ 65
	Total requirements.............		16,117		16,300		+183

(a) Includes COLA and foreign differential for overseas employees.

Type size:
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Case 180
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Case 220

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL

Program and Financing (in thousands of dollars)

Identification code 14-0104-0-1-306	1985 actual	1986 estimate	1987 estimate
Program by activities:			
00.0101 Audit........................	11,151	10,767	10,916
00.0201 Investigations..............	2,483	2,399	2,430
00.0301 Administration..............	2,961	2,951	2,954
10.0001 Total obligations.......	16,595	16,117	16,300
Financing:			
25.0001 Unobligated balance lapsing..	313	--	--
39.0001 Budget authority (Appropriation).........	16,908	16,117	16,300
Budget authority:			
40.0001 Appropriation................	16,908	16,214	16,300
40.0002 Reduction pursuant to P.L. 99-190......................		-97	
43.0001 Appropriation (adjusted)	16,908	16,117	16,300
Relation of obligations to outlays:			
71.0001 Obligations incurred, net....	16,595	16,117	16,300
72.4001 Obligated balance, start of year....................	3,540	2,928	484
74.4001 Obligated balance, end of year....................	-2,928	-484	-489
77.0001 Adjustments in expired accounts..................	-531	--	--
90.0001 Outlays......................	16,676	18,561	16,295

IG-27

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Case 180
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Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL

Program and Financing (in thousands of dollars)

Identification code 14-0104-6-1-306	19 actual	1986 estimate	1987 estimate
Program by activities:			
00.0101 Audit.......		-463	
00.0201 Investigations...........		-103	
00.0301 Administration...........		-127	
10.0001 Total Obligations....		-693	
40.0001 Appropriation................		-693	
Relation of obligations to outlays:			
71.0001 Obligations incurred, net.....		-693	
72.4001 Obligated balance, start of year......................			-45
74.4001 Obligated balance, end of year......................		45	
90.0001 Outlays......................		-648	-45

IG-28

(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

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Case 160
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STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL

Object Classification (in thousands of dollars)

Identification code 14-0104-0-1-306		19 85 actual	19 86 estimate	19 87 estimate
	Direct Obligations:			
	Personnel Compansation:			
111.101	Full-time permanent..........	9,841	9,571	9,671
111.301	Other than full-time permanent..................	97	50	50
111.501	Other personnel compensation..	299	299	299
111.901	Total personnel compensation..	10,237	10,020	10,020
112.101	Personnel benefits: Civilian..	1,686	1,584	1,600
113.001	Unemployment compensation payments...................	8	8	8
121.001	Travel and transportation of persons................	1,857	2,223	2,125
122.001	Transportation of things......	83	136	136
123.101	Standard level user charges...	769	796	796
123.201	Communications, utilities and other rent.............	334	270	270
124.001	Printing and reproduction....	179	108	108
125.001	Other services...............	1,178	822	1,022
126.001	Supplies and materials.......	82	90	90
131.001	Equipment....................	182	60	125
999.901	Total obligations............	16,595	16,117	16,300

(Mono cast: 21.5) (Mono cast: 5) (Mono cast: 5) (Mono cast: 4.5)

Type size
8 point 22 picas
Case 180
Red underscore
Case 210

STANDARD FORM 300
July 1964, Bureau of the Budget
Circular No. A-11, Revised.
300-101

DEPARTMENT OF THE INTERIOR
OFFICE OF INSPECTOR GENERAL

Personnel Summary

Identification code 14-0104-0-1-306	19 85 actual	19 86 estimate	19 87 estimate
Total number of full-time permanent positions........................	314	286	286
Total compensable workyears:			
Full-time equivalent employment....	304	289	289
Full-time equivalent of overtime and holiday hours................	1	1	1
Average ES salary....................	$65,000	$65,000	$65,000
Average GS grade.....................	10.26	10.36	10.36
Average GS salary....................	$34,200	$34,500	$34,500

IG-30

(Mono cast: 21.5)	(Mono cast: 5)	(Mono cast: 5)	(Mono cast: 4.9)

U.S. Department of Agriculture

1987 BUDGET
EXPLANATORY NOTES
FOR COMMITTEE ON APPROPRIATIONS

FOREST SERVICE

-- NOTE TO READERS --

The specific impact on the Forest Service FY 1986 Appropriation from the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177, will not be known until March 1, 1986.

Based on information published by the Office of Management and Budget, the estimated reductions due to the act are displayed on all funding charts under the column entitled:

1986
Estimate
with DCA
Reduction

United States
Department of
Agriculture

Forest Service

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Mission and Organization

The Forest Service has the Federal responsibility for national leadership in forestry. This role includes participating at the national level in setting priorities, establishing policies, and formulating and implementing programs.

The primary purpose of Forest Service programs is to provide maximum benefits to the public through proper management and use of renewable natural resources in the Nation's forests and rangelands. These benefits take the form of wood and paper products, energy and minerals, wilderness, red meat, fish, wildlife, water, and a high quality environment for outdoor recreation. All are essential and contribute to the economic and social well-being of Americans.

The development of human resources is an added and valuable part of the Forest Service mission. The Forest Service administers and hosts programs that provide work, training, and education to the unemployed, underemployed, elderly, young, and others with a productive potential.

The Forest Service carries out its mission through programs in three major areas:

Forest Research

Forest Service research develops knowledge and technology to enhance the economic and environmental values of the Nation's 1.6 billion acres of forest and related rangeland. This program seeks better ways to use forest and rangeland resources by developing technology to reduce costs, increase productivity, and protect environmental quality.

Forest Service research involves an extensive array of biologic, economic, engineering, and social disciplines. The program is coordinated with research at 61 forestry schools and State agricultural experiment stations at land grant institutions. This research also supports international forestry through cooperation with other U.S. agencies, the United Nations, and foreign countries.

State and Private Forestry

Forest Service cooperative State and private forestry programs protect natural resources and improve management and production on nonindustrial private forest lands. These programs are delivered through State Foresters or equivalent State officials providing assistance and coordination to landowners, operators, wood processors, and State and local agencies.

Fifty-eight percent of the Nation's commercial forest land is in nonindustrial private ownership. Such lands total more than 278 million acres and are important in meeting national needs for natural resources. Federal assistance is provided for specific activities and projects of national benefit to improve the productive potential and efficient use of these lands.

Federal assistance is targeted to fulfill Federal roles and meet national interest objectives which protect non-Federal wildlands from fire; reduce losses of timber and wood products from damaging insects and diseases; increase timber growth and harvests; protect soil and water resources; manage forest resources in rural and urban areas for multiple uses; and improve efficiency and reduce waste in wood product harvesting, processing, and marketing.

Management of National Forests and Grasslands

The Forest Service manages about 191 million acres of public land in 44 States, Puerto Rico, and the Virgin Islands. These public lands, known collectively as the National Forest System, encompass 156 National Forests, 19 National Grasslands, and 16 Land Utilization Projects. The natural resources on these lands are some of the Nation's greatest assets and have major economic, environmental, and social significance for all Americans.

The Forest Service manages the National Forest System under the multiple use concept for forage, fish and wildlife, water, wilderness, outdoor recreation, and sustained production of timber. The energy and mineral resources on these lands also contribute significantly toward meeting the Nation's needs for hard rock minerals, coal, oil, gas, and geothermal resources.

United States Department of Agriculture Forest Service Organizational Chart

The Forest Service
United States Department of Agriculture

Field Offices of the Forest Service

United States Department of Agriculture

REGIONAL HEADQUARTERS AND NATIONAL FORESTS

Northern Region
Federal Bldg.
P.O. Box 7669
Missoula, MT 59807

Idaho

[illegible]

Montana

[illegible]

Southwestern Region
Federal Bldg.
517 Gold Ave. SW
Albuquerque, NM 87102

Arizona

[illegible]

New Mexico

[illegible]

Pacific Southwest Region
630 Sansome St.
San Francisco, CA 94111

California

[illegible]

Rocky Mountain Region
11177 West 8th Ave.
P.O. Box 25127
Lakewood, CO 80225

Colorado

[illegible]

Nebraska

[illegible]

South Dakota

[illegible]

Wyoming

[illegible]

Intermountain Region
Federal Bldg.
324 25th St.
Ogden, UT 84401

Idaho

[illegible]

Nevada

[illegible]

Utah

[illegible]

Wyoming

[illegible]

Pacific Northwest Region
319 SW Pine St.
P.O. Box 3623
Portland, OR 97208

Oregon

[illegible]

Washington

[illegible]

[illegible]

FS-13
Revised January 1983
Slightly Revised August 1984

Eastern Region
310 West Wisconsin Ave.
Milwaukee, WI 53203

Illinois

[illegible] Harrisburg [illegible]

Indiana and Ohio

[illegible] Bedford [illegible]

Michigan

[illegible] Escanaba [illegible]
[illegible] Cadillac [illegible]
[illegible] Ironwood [illegible]

Minnesota

[illegible] Cass Lake [illegible]
[illegible] Duluth [illegible]

Missouri

[illegible] Rolla [illegible]

New Hampshire and Maine

[illegible] Laconia [illegible]

Pennsylvania

[illegible] Warren [illegible]

Vermont

[illegible] Rutland [illegible]

West Virginia

[illegible] Elkins [illegible]

Wisconsin

[illegible] Park Falls [illegible]
[illegible] Rhinelander [illegible]

Southern Region
1720 Peachtree Rd., NW.
Atlanta, GA 30367

Alabama

[illegible] Montgomery [illegible]

Arkansas

[illegible] Hot Springs Nat'l Park [illegible]
[illegible] Russellville [illegible]

Florida

[illegible] Tallahassee [illegible]

Georgia

[illegible] Gainesville [illegible]

Kentucky

[illegible] Winchester [illegible]

Louisiana

[illegible] Pineville [illegible]

Mississippi

[illegible] Jackson [illegible]

Southern Region (continued)

North Carolina

[illegible] Asheville [illegible]

Puerto Rico

[illegible] Rio Piedras [illegible]

South Carolina

[illegible] Columbia [illegible]

Tennessee

[illegible] Cleveland [illegible]

Texas

[illegible] Lufkin [illegible]

Virginia

[illegible] Harrisonburg [illegible]
[illegible] Roanoke [illegible]

Alaska Region
Federal Office Bldg.
P.O. Box 1628
Juneau, AK 99802

Alaska

[illegible] Anchorage [illegible]
[illegible] Sitka [illegible]
[illegible] Ketchikan [illegible]
[illegible] Petersburg [illegible]

RESEARCH HEADQUARTERS AND STATE AND PRIVATE FORESTRY

[illegible]

State and Private Forestry

[illegible]

Highlights of the 1987 Request

Appropriation		FY 1986 Appropriation	FY 1986 Estimate with DCA Reduction	FY 1987 Estimate	Inc.(+) or Dec.(-)
		(Dollars in thousands)			
Forest Research:					
Regular research appropriation	$	118,726	113,620	111,481	-7,245
Special projects; competitive grants		6,799	6,507	--	-6,799
Subtotal, Forest Research	$	125,525	120,127	111,481	-14,044
	FTE	2,416	--	2,313	-103
State and Private Forestry	$	57,638	55,160	24,871	-32,767
	FTE	552	--	433	-119
National Forest System	$	1,078,301 1/	1,031,934	894,488	-183,813
	FTE	25,185	--	21,621	-3,564
Construction	$	222,522	212,954	195,197	-27,325
	FTE	3,855	--	3,679	-176
Land Acquisition	$	28,130	26,909	3,206	-24,924
	FTE	72	--	70	-2
Acquisition of Lands for National Forests, Special Acts	$	777	744	966	+189
	FTE	4	--	4	--
Acquisition of Lands to Complete Land Exchanges	$	20	19 3/	895	+875
	FTE	--	--	--	--
Miscellaneous Trust Funds	$	89	85	90	+1
	FTE	--	--	--	--
Range Betterment Fund	$	5,798	5,635 3/	5,800	+2
	FTE	62	--	62	--
Operation and Maintenance of Recreation Facilities	$	--	--	52,000	+52,000
	FTE	--	--	1,307	+1,307
Youth Conservation Corps	$	(3,380) 2/	(3,235)	--	(-3,380)
	FTE	--	--	--	
Permanent Appropriations	$	379,657	363,330 3/	220,287	-159,370
	FTE	2,333	--	2,219	-114
Trust Funds	$	155,091	149,898 3/	197,616	+42,525
	FTE	2,601	--	3,128	+527
Reforestation Trust Fund	$	(30,000) 1/	(29,713) 3/	30,000	+30,000
	FTE	--	--	600	+600
Total, Regular Forest Service	$	2,051,548	1,964,806	1,734,897	-316,651
	FTE	37,082	--	35,433	-1,649
Transfer Accounts	FTE	1,218	--	1,322	+104
TOTAL	$	2,051,548	1,964,806	1,734,897	-316,651
	FTE	38,300	--	36,755	-1,545

1/ Includes $30,000,000 transferred from Reforestation Trust Fund (P.L. 99-190).
2/ YCC program is financed with any funds available to Forest Service.
3/ The Deficit Control Act reductions in Acquisition of Lands to Complete Land Exchanges, Range Betterment Fund, Permanent Appropriations, Trust Funds, and Reforestation Trust Fund are reductions in planned obligations, since budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

The changes between the FY 1986 program and the FY 1987 request are highlighted below.

Forest research

The FY 1987 Forest Service Research request is 11.2 percent less than the FY 1986 appropriation. This decrease continues to reflect the President's overall objectives to improve efficiency and reduce costs by further streamlining the Forest Service research organization.

Significant actions planned in FY 1987 to help achieve these objectives include:

- Maintaining a stable research organization while achieving budget reductions
- reducing the overall research effort in all program areas
- accelerating close-out of nearly completed work
- stretching out or delaying several research efforts
- improving management, support, and efficiency
- terminating the competitive forestry research grants program
- reducing lower priority atmospheric deposition research
- terminating seven research work units and closing four research locations

The FY 1987 program concentrates on research that will help improve the Nation's economic condition while maintaining an adequate level of protection for forest and rangeland resources. Highest priority ongoing research will be maintained in most programs.

State and private forestry

The FY 1987 State and Private Forestry request is about 57 percent less than the FY 1986 appropriation. Federal personnel will be reduced 22 percent.

This reduction in funding limits the Federal role in promoting management of forested lands in State and nonindustrial private ownership to providing assistance for specific activities and projects of national benefit. The Federal role will provide limited specialized technical assistance, collect and analyze data nationwide, provide coordination, and serve as an information clearinghouse.

The primary emphasis of the proposed budget will be forest pest management on Federal lands, including a base level of surveillance, evaluation, and suppression. Cooperative fire protection will provide a base level of technical assistance and data collection.

High priority special projects, such as production of the Douglas-fir tussock moth virus and the National Agricultural Pesticide Impact Assessment Program, will be carried out.

All financial assistance to States will be discontinued except the grant to Minnesota for intensive forest management associated with the Boundary Waters Canoe Area Wilderness legislation.

A small Federal staff will be retained to provide the highest priority coordination, technical assistance, and national data collection and analysis. In Forest Pest Management, the Cooperative Pest Action Program and cooperative insect and disease suppression projects will be eliminated. Programs in forest resource management, wood utilization, seedling production, nursery and tree improvement, urban forestry, and activities for management improvement will also be eliminated.

National Forest System

The FY 1987 National Forest System (NFS) request is about 11 percent less than the FY 1986 appropriation. This proposal includes a decrease in the timber sales program from 11.4 billion board feet in FY 1986 to 10.0 billion board feet in FY 1987.

The FY 1987 program provides for preparing and offering 7.4 billion board feet of new timber sales and the reoffer of 2.6 billion board feet of timber sales turned back as a result of the Federal Timber Contract Payment Modification Act of 1984.

It also provides funds for the sale of 200 million board feet of timber from the Oregon and California Grant Lands that have been historically administered by the Forest Service.

The FY 1987 program is responsive to the demand for strategic and energy-related minerals.

Resource management activities, including recreation, wildlife and fish habitat, and public access, are for the most part being maintained at current levels.

Administration of special uses will focus on the most critical needs. New applications will be processed in a timely manner in connection with projects that can produce increasing revenues or which are essential for public health and safety.

The FY 1987 forest fire protection program request has been decreased by $11.0 million from the FY 1986 appropriation.

A total of $2,450,000 is requested for the cooperative law enforcement program. This includes $2,000,000 for the cannabis program.

Construction

The proposed FY 1987 construction request is about 12.3 percent less than the FY 1986 appropriation (not including the use of timber purchaser road credits).

The road construction program will emphasize access for timber sales with roads that respond to immediate project needs. Increased costs for better roads will be incurred only when such action clearly shows a cost effective advantage. In keeping with the need to constrain Federal expenditures, only the highest priority projects for road reconstruction are being proposed.

Facilities construction will continue to focus on abating high hazard health and safety deficiencies in research, recreation, fire, administrative, and other facilities. Priority will also be given to facilities that support resource output and protection goals and increase fee receipts.

Forest Road Program (FRP) funds are used for work associated with planning, designing, and constructing roads, including rights-of-way acquisition, regardless of the source of funds used for the actual construction of the project. In FY 1987, 12 percent of all road miles will be constructed from FRP funds and 88 percent will be constructed from Purchaser Credit Program (PCP) and Purchaser Election Program (PEP) funds. FRP funds will also be used to augment Purchaser Construction where analyses have shown it is more cost effective to construct a road of higher standard than that required for the immediate timber sale.

Land acquisition

The appropriation was established by Congress in FY 1982 and includes land acquisition under the Land and Water Conservation Fund (L&WCF).

Land and interests are acquired within the National Forest System for recreation, wilderness, endangered species, wildlife habitat management areas, and other areas important for public outdoor recreation purposes. From FY 1965 through FY 1981, the L&WCF dollars were appropriated to the Department of the Interior for allocation to the appropriate agencies, including the Forest Service. In FY 1982, Congress appropriated the funds directly to the agencies. The FY 1987 request for the Forest Service is intended to cover the cost of completing existing cases.

Productivity and efficiency

The Forest Service is continuing its efforts to reduce administrative costs by streamlining organizations, programs, and procedures while maintaining a basic on-the-ground work force and an effective delivery system for providing public services. To further this objective, the Region and Station organizational configuration, which has existed for almost 20 years, needs to be reexamined and adjusted to most efficiently meet future needs.

In support of the Administration's cost saving initiatives and the Department of Agriculture's Management Improvement Plan, the Forest Service conducted the National Administrative Review, Federal Field Structure Review, and Productivity Improvement Team (PIT) studies. The cost saving actions identified in these reviews and studies were consolidated into a "Bias for Action" approach and are now being implemented. These savings are reflected in the FY 1987 request.

In FY 1985, two additional projects were initiated. The National Information Requirements Project (NIRP) defined and greatly reduced minimum recurrent data reporting requirements on field units. Pilot studies were implemented at four administrative units of the Forest Service to increase productivity through waivers from requirements and increased delegations of authority.

Summary of Receipts

	FY 1985 Actual	FY 1986 Estimate	FY 1966 Estimate with DCA Reduction	FY 1987 Estimate
	(Dollars in thousands)			
National Forest Fund:				
Power	$ 649	$ 750	$ 750	$ 900
Minerals	14,998	20,000	19,000	19,000
Land uses	2,869	3,400	3,400	4,300
Timber	498,547	802,548 1/	802,548	715,700
Grazing	7,747	7,747	7,747	7,747
Recreation, admission, and user fees	30,826	33,700	30,826	52,000 2/
Subtotal, National Forest Fund receipts	555,636	868,145	864,271	799,647
National Grasslands and Utilization:				
Minerals	62,524	40,000	40,000	48,000
Grazing	1,292	1,292	1,292	1,292
Other	439	525	525	525
Subtotal, National Grasslands receipts	64,255	41,817	41,817	49,817
Timber sale area betterment (K-V)	186,107	150,000	150,000	160,000
Timber purchaser road credit	(107,949)	(174,000)	(174,000)	(170,000)
Subtotal, amount subject to payments to states and counties	(913,947)	(1,233,962)	(1,230,088)	(1,179,464)
Subtotal, receipts	805,998	1,059,962	1,056,088	1,009,464
Brush disposal	53,734	64,000	64,000	64,000
Timber salvage sales	15,232	25,000	25,000	27,000
Cooperative contributions	39,878	38,991	38,991	42,600
All other	11,470	16,000	16,000	16,300
Total Forest Service receipts	926,312	1,203,953	1,200,079	1,159,364
Mineral leases and power licenses on public domain lands 3/	82,421	95,600	95,600	101,600
Oregon and California Grant Lands 4/	16,056	22,000	22,000	24,000
Total revenues generated from lands managed by the Forest Service	$1,024,789	$ 1,321,553	$1,317,679	$1,284,964

1/ Assumes buyback of $159,548,000 in FY 1986.
2/ Assumes increased receipts of $16,000,000 from proposed legislation in FY 1987.
3/ Represents noncash estimated receipts from NFS lands deposited directly to USDI.
4/ Represents Forest Service receipts transferred to USDI for special O&C account.

Three-Year Summary of Appropriations

	FY 1985 Actual	FY 1986 Approp. Enacted to Date	FY 1986 Estimate with DCA Reduction 3/	FY 1987 Estimate
	(Dollars in thousands)			
Forest Research:				
Regular research appropriation	$ 113,826	$ 118,726	$ 113,620	$ 111,481
Special projects, competitive grants	(7,840)	6,799	6,507	--
Subtotal, Forest Research	113,826	125,525	120,127	111,481
State and Private Forestry	58,292	57,638	55,160	24,871
National Forest System	1,111,548	1,078,301 2/	1,031,934	894,488
Construction	37,579	222,522	212,954	195,197
Use of Timber Purchaser Road Credits	226,290 1/	--	--	--
Program Level, Construction	263,869	222,522	212,954	195,197
Land Acquisition	50,535	28,130	26,920	3,206
Acquisition of lands for National Forests, special acts	706	777	744	966
Acquisition of lands to complete land exchanges	42	20	19	895
Miscellaneous trust fund	35	89	85	90
Range betterment fund	3,966	3,798	3,635	3,800
Operation and maintenance of recreation facilities	--	--	--	52,000
Youth Conservation Corps	(3,234)	(3,380)	(3,235)	--
Permanent Appropriations, Working Funds:				
Expenses, Brush disposal	53,734	48,026	45,960	47,835
Licensee programs:				
Smokey Bear and Woodsy Owl	74	100	96	100
Restoration of forest lands and improvements	172	100	96	100
Timber purchaser roads constructed by the Forest Service	33,898	22,911	21,926	15,434
Timber salvage sales	15,232	24,000	22,968	20,713
Tongass timber supply fund	49,970	51,802	49,573	45,815
Operation and Maintenance of quarters	4,854	5,100	4,881	5,400
Subtotal, Working Funds	157,934	152,039	145,500	135,397
Permanent Appropriations, Payment to States:				
Payment to Minnesota	716	716	685	716
Payments to counties, National Grasslands	10,047	14,661	14,031	5,600 4/
Payments to States, NFF	224,937	212,241	203,114	78,574 4/
Subtotal, Payments to States	235,700	227,618	217,830	84,890
Total, Permanent Appropriations	393,634	379,657	363,330	220,287
Trust Funds	234,625	155,091	149,898	197,616
Reforestation Trust Fund	37,405	(30,000)	(28,710)	30,000
TOTAL, FOREST SERVICE	$2,268,483	$2,051,548	$1,964,806	$1,734,897

1/ In the FY 1985 Appropriation Act (P.L. 98-473), Congress directed that $226,290,000 be transferred from unused funds for timber purchaser road credits, previously appropriated.

2/ Includes $30,000,000 transferred from Reforestation Trust Fund (P.L. 99-190).

3/ The Deficit Control Act reductions in Acquisition of of Lands to Complete Land Exchanges; Range Betterment Fund; Permanent Appropriations; Trust Funds; and Reforestation Trust Fund are reductions in planned obligations, since budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

4/ Legislation proposed to change payments to States and counties from gross receipts sharing to a net receipts basis.

Forest
Service

Forest Research

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)						
Fire and atmospheric sciences research	$	7,963	8,063	7,716	8,063	7,546	-517	-517
	FTE	170	171	--	171	162	-9	-9
Forest insect and disease research	$	21,147	21,093	20,186	21,093	20,178	-915	-915
	FTE	406	406	--	406	389	-17	-17
Forest inventory and analysis	$	17,133	17,049	16,316	17,049	14,222	-2,827	-2,827
	FTE	348	348	--	348	315	-33	-33
Renewable resources economics research	$	4,513	4,566	4,370	4,566	4,456	-110	-110
	FTE	99	99	--	99	98	-1	-1
Trees and timber management research	$	22,161	22,468	21,501	22,468	21,339	-1,129	-1,129
	FTE	512	517	--	517	500	-17	-17
Watershed management rehabilitation research	$	11,229	15,517	14,850	15,517	14,858	-659	-659
	FTE	238	243	--	243	236	-7	-7
Wildlife, range, & fish habitat research	$	9,108	9,480	9,072	9,480	9,291	-189	-189
	FTE	191	195	--	195	193	-2	-2
Forest recreation research	$	2,084	2,141	2,049	2,141	2,077	-64	-64
	FTE	41	41	--	41	40	-1	-1
Forest products and harvesting research	$	18,488	18,349	17,560	18,349	17,514	-835	-835
	FTE	396	396	--	396	380	-16	-16
Subtotal	$	113,826	118,726	113,620	118,726	111,481	-7,245	-7,245
Special projects, competitive grants	$	(7,840) 1/	6,799 2/	6,507	6,799	--	-6,799	-6,799
	FTE	--	--	--	--	--	--	--
TOTAL	$	113,826	125,525	120,127	125,525	111,481	-14,044	-14,044
	FTE	2,401	2,416	--	2,416	2,313	-103	-103

1/ These funds have been transferred to the account of the Competitive Research Grants Office, in Science and Education, Department of Agriculture, which administers the competitive research grants program.

2/ These funds will be allocated directly to the account of the Competitive Research Grants Office, in Science and Education, Department of Agriculture, which administers the competitive research grants program.

Appropriation Summary Statement

Research Mission

The mission of Forest Service research is to develop knowledge and technology that increase economic and environmental values on America's 1.6 billion acres of forest and related rangelands.

A review of the United States long term renewable resources situation shows a growing gap between the supply of forest, range, and water products, and the quantities that people would like to consume at current prices.

Through scientific management of its forests and rangelands, however, the U.S. is capable of producing three times as much forage and twice as much timber as it currently does, while maintaining land productivity and protecting environmental quality.

To help achieve these goals, Forest Service research:

- Develops the scientific and technical knowledge needed to manage public land, about one-third of the Nation's lands, for all its resources.

- Provides scientific information for people involved with natural resource policy issues.

- Addresses short and long term problems in basic and applied research not dealt with by the private sector.

- Provides information and guidance for private forest landowners, industry and commerce, State agencies and commissions, and individual citizens.

- Supports international forestry through cooperation with other U.S. agencies, United Nations agencies, and foreign countries.

Research Administration

Forest Service research is carried out through a network of eight Forest and Range Experiment Stations and the Forest Products Laboratory at Madison, Wisconsin. There are about 200 Research Work Units at 75 locations throughout the United States, Puerto Rico, and the Pacific Trust Islands.

The Forest Service Deputy Chief for Research directs the research program, with support from seven Washington Office technical Staff Directors and Directors of the Forest Experiment Stations and the Forest Products Laboratory. The 700 scientists in the program (about half with doctoral degrees) produce more than 2,300 scientific publications annually.

Forest and Range Experiment Stations,
Forest Products Laboratory

Research Coordination

Many Forest Service field headquarters and laboratories are located on or near university or college campuses. In addition to the Competitive Grants program, about 7 percent of the Forest Service research budget supports research at colleges, universities, other research organizations, and industry.

The proximity and support of extramural research complements Agency programs, fosters strong coordination among research organizations, and frequently helps achieve goals without increasing the Federal work force. While results from privately financed research belong to the sponsors, results from Forest Service research are made public to serve a broad clientele.

Research Planning

Forest Service research planning follows the requirements of the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) and Title XIV of the Food and Agriculture Act of 1981.

The Forest Service plans long term research in conjunction with the Nation's forestry schools. While national laboratories do some research, most is done at the regional level, close to specific forest and rangeland problems.

Forest Service research aims at high priority technology needs in four geographical planning regions (Northeast, North Central, Southern, and Western) and the Forest Products Laboratory. Scientific research goals for each region are formulated by groups of research and resource managers in the Forest Service, the Cooperative State Research Service, forest industries, forestry schools, and agricultural experiment stations. National research programs result from analyzing and aggregating regional plans and considering annual program budget submissions by the Experiment Stations and the Forest Products Laboratory.

The Forest Service maintains timeliness and focus of research through periodic review, evaluation, revision, and/or termination of research work plans at 5-year intervals. Washington Office and field supervisors, with invited outside participants, also conduct intermediate reviews of research. These reviews are often used to redirect programs, within funding constraints, to emphasize new areas of scientific inquiry in response to changing national and regional priorities.

Criteria for Program Changes

The following criteria guide research program changes:

- Relation to the mission and goals of the Administration, Department of Agriculture, and Forest Service.

- Importance and timeliness of research problems, e.g. what difference will research make if it is successful?

- Research impact, e.g. who will the research affect and in what ways?

- Availability of adequate personnel, funding, and leadership.

- Research status, e.g. is research nearing completion? Can it be delayed?

- Research that is long term and higher risk, requiring coordinated planning, continuity, and a stable research environment.

- Research serving critical consumer needs (such as lumber standards and fire safety).

- Research not done by organizations with a shorter term perspective and narrower geographic focus.

FY 1987 Program Changes

Since FY 1981, the Forest Service has taken several actions to reduce costs by streamlining its research organization. For example, by the end of FY 1986 the Forest Service will have closed 8 research locations, terminated 81 Research Work Units, and reduced personnel since FY 1981 by about 250 full-time equivalents.

Support services for Forest Service research programs have been merged with National Forest regional offices at Portland, OR; Ogden, UT; San Francisco, CA; and in Alaska; and with National Forests at Fort Collins, CO and Asheville, NC. Opportunities for further mergers of support services are being studied.

The proposal for Forest research in FY 1987 is 11.2 percent less than the FY 1987 base. This decrease continues to reflect initiatives to improve efficiency by streamlining the Forest Service research organization and directing research toward the highest priority problems, while maintaining a minimum research capability in all essential program areas. Actions in FY 1987 include:

- Reducing work force by 111 full-time equivalents, including 45-55 scientist-years of effort.

- Reducing atmospheric deposition research from $11,236,000 to $4,505,000.

- Reducing Forest Inventory and Analysis Research by $[illegible], including $[illegible] in the National [illegible] System.

- Reducing Trees and Timber Management Research by $[illegible], Forest Insect and Disease Research by $[illegible], (including $[illegible] for atmospheric deposition research [illegible]), and Forest Products and Harvesting Research by $[illegible].

- Terminating the competitive forestry research grants program.

- Reducing units of research staff to lower levels, directing research toward the highest priority problems, and accelerating close-out of nearly completed work.

- Terminating seven research work units and closing four research laboratories as follows:

Research Work Units	Work Terminated
Fairbanks, Alaska (Pacific Northwest - [illegible])	Silvicultural research in interior Alaska.
Gainesville, Florida (Southeastern - [illegible])	Genetic improvement of longleaf and slash pines.
Sewanee, Tennessee (Southern - [illegible])	Un-even-aged silviculture on the Cumberland Plateau and Highland Rim.
Parsons, West Virginia (Northeastern - [illegible])	Effects of management practices on watersheds and effects of timber harvesting and road construction on water quality in the central Appalachians.
University Park, Pennsylvania (Northeastern - [illegible])	Effects of atmospheric deposition on Appalachian forest watersheds and municipal watershed management.
St. Paul, Minnesota (North Central - [illegible])	Research on urban recreation management.
[illegible] (Southeastern - [illegible])	Development of [illegible] timber [illegible].

Research Laboratories	
Fairbanks, Alaska	[illegible] research in interior Alaska, water quality research.
University Park, Pennsylvania	Effects of atmospheric deposition on Appalachian watersheds and municipal watershed management.
Parsons, West Virginia	Regeneration guidelines for central Appalachian hardwoods, water [illegible] in the central Appalachians.
Sewanee, Tennessee	Un-even-aged silviculture research on the Cumberland Plateau and Highland Rim.

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]		[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

In FY 1985, cooperative research was undertaken with 6 countries on 25 projects, and 15 scientific exchanges took place with 6 countries. Examples of recent scientific and technical exchanges include:

- Atmospheric deposition research with the Federal Republic of Germany.

- Forest tree improvement and germ plasm exchange with the Soviet Union.

- Research on the natural enemies of the gypsy moth with the People's Republic of China.

- Research on remote sensing of forest conditions with France.

- Development of fire control methods with Italy, France, Spain, and Australia.

- Improved forest inventdry methods with several Scandinavian countries.

- Improved timber utilization and insect control with Canada.

- Technical assistance in forestry is provided to developing countries, on a reimbursable basis, through the U.S. Agency for International Development (AID) by the Forest Service's Forestry Support Program, and through the Food and Agriculture Organization of the United Nations (FAO). This includes: technical advice to regional and field personnel in Africa, Asia, and Latin America; identification of experts for overseas assignments in about 24 countries each year; training of professionals from recipient countries in forest administration, watershed management, and agroforestry; forest products market development in Ecuador and neighboring countries; and dissemination of manuals and technical material throughout the world.

Specialized advice and equipment are provided to AID's Office of Foreign Disaster Assistance in response to major forest fires, earthquakes, or other overseas emergencies. Support to the Peace Corps includes technical information, and assistance in recruitment and training.

In FY 1985, the Forest Service developed a program for tropical forestry in Latin America and the Caribbean. This program guides future management, research, and extension activities within the Caribbean region.

- Domestic Research with International Applications. In addition to the international research and assistance activities described above, considerable Forest Service domestic research has international applications. For example:

- Much of the research done at the Forest Products Laboratory in Madison, Wisconsin is adapted for use in other countries, and each year the laboratory is host to international scientists for training and joint studies.

- A major part of the research at the Institute of Tropical Forestry, in Puerto Rico, has application in the Caribbean, elsewhere in Latin America, and in some parts of Africa and Asia.

- Much of the research on timber management, watershed management, and forest insects and disease at the Institute of Pacific Islands Forestry, in Hawaii, has application beyond the United States and its Pacific Islands.

Atmospheric Deposition Research

The FY 1987 proposal for the Forest Service includes $8,505,000 for atmospheric deposition research, compared to $11,238,000 in the FY 1986 appropriation. Over two-thirds of the reduction is from the reduction of the National Vegetation Survey.

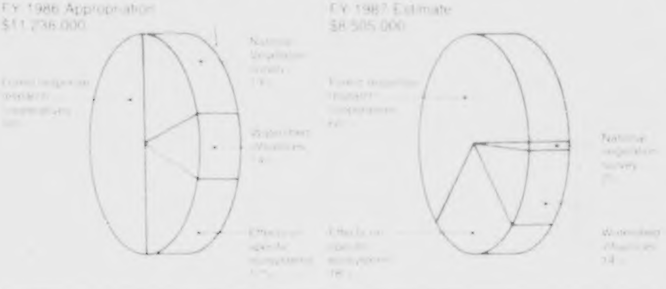
Funding at the proposed level will allow continuation of high priority atmospheric deposition research such as monitoring trends in water quality, studying effects on major forest ecosystems, and studying watershed processes that influence effects of atmospheric deposition on terrestrial and aquatic ecosystems.

Forest Service atmospheric deposition research determines how atmospheric deposition (such as acid rain) affects forest resources. This information is needed to establish appropriate air-pollutant emissions policies.

The Department of Agriculture participates with the Environmental Protection Agency, the Department of the Interior, the Department of Energy, and the Department of Commerce's National Oceanic and Atmospheric Administration in the National Acid Precipitation Assessment Program (NAPAP). The Forest Service represents USDA as the leader of the NAPAP task group on terrestrial effects, carries out research as part of the NAPAP aquatic effects task group, and operates wet deposition (acidic precipitation) monitoring stations in support of the NAPAP deposition task group. Through this program, scientists study the effects of atmospheric deposition on watersheds and forest vegetation throughout the eastern United States, the Rocky Mountains, California, and the Pacific Northwest. In addition to Forest Service appropriations, EPA provides additional funds to support this program.

The chart and following discussion compare distribution of atmospheric deposition funding among major program components in FY 1986 and FY 1987.

Forest Service Atmospheric Deposition Research
FY 1986-87 Program Distribution



- Forest response research cooperatives. Research determines the effects of atmospheric deposition on four major forest types (eastern spruce-fir, southern pines, eastern hardwoods, and western conifers). This program is implemented jointly with the U.S. Environmental Protection Agency (EPA) as part of NAPAP. The proposed FY 1987 funding of $5,617,000 is the same as in FY 1986.

- National vegetation survey. The goal of the survey is to determine the extent and location of forest conditions that may be related to atmospheric deposition.

A program level of $154,000 is included in the FY 1987 proposal for the Forest Service, compared to $2,154,000 in the FY 1986 appropriation. The survey research in FY 1985 and FY 1986 will yield research results on measurement methods and survey designs, as well as limited pilot studies. The proposed funding in FY 1987 will enable an orderly summarization of the existing knowledge and data developed during those first two years of the survey.

Because of the early stage of research on the effects of atmospheric deposition and associated forest response, there is insufficient knowledge at this time to identify which variables to measure in an operational survey. Therefore, the operational survey is being postponed until such knowledge is available.

- Effects on specific ecosystems. Studies will focus on the effects of atmospheric deposition on central and southern California forests, high elevation Rocky Mountain ecosystems, Pacific Northwest commercial forests, northeastern hardwood and mixed forests, and midwestern mixed forests.

Funding of $1,518,000 is in the FY 1987 proposal, compared to $1,891,000 in the FY 1986 appropriation. The reduction represents termination of low priority research, termination of research investigations that have produced significant research findings but have come to convenient points for termination, and delayed initiation of new areas of research investigation.

At this program level, high priority studies will be continued in all regions, though at a reduced rate in California, the Rocky Mountains, and the Midwest.

- Watershed influences. The goal of these studies is to determine how atmospheric deposition affects forested watersheds to change water quality and forest conditions. The studies are carried out under the different regional conditions in New England, central Pennsylvania, the central Appalachians, the northern Great Lake States, and the southern Appalachians.

The proposed FY 1987 program level is $1,216,000, compared to $1,576,000 in the FY 1986 appropriation. The reduction represents termination of low priority research, termination of research investigations that have produced significant research findings but have come to convenient points for termination, and delayed initiation of new areas of research investigation.

High priority research will be continued at all locations, though at a reduced level in central Pennsylvania, the central Appalachians, and the northern Great Lake States.

Some recent findings from Forest Service field research on atmospheric deposition include:

- A variety of natural and human-caused disturbances affect the acidity of some New England ponds. These disturbances--such as beavers, fires, and dams--may have a more dramatic effect than atmospheric deposition. In some cases it may be impossible to isolate the effects of atmospheric deposition from the other disturbances.

- In northern Minnesota, Wisconsin, and Michigan, several clearwater lakes have different risks of acidification. Researchers developed a model to estimate the percentage of lakes that would become acidified (or de-acidified) under different deposition scenarios.

- Sulfate concentration is increasing in streamwater in the southern Appalachians. This may signal the beginning of a delayed response of the watersheds to atmospheric deposition.

- In the mountains east of Los Angeles, nitrate deposition in chaparral ecosystems was recorded at record-high levels following smog episodes. This appears to be the result of dry deposits of atmospheric pollution. Nitrate contamination of ground water in the area may be linked to the high levels of nitrate in atmospheric deposition.

- Red spruce in the Northeast and several species of pine in the Southeast are growing more slowly than expected. Atmospheric deposition may be one of several causes.

Authorities

P.L. 78-412, Department of Agriculture Organic Act of September 21, 1944 (7 U.S.C. 2250). Section 703.
Erect, alter, and repair buildings necessary to carry out authorized work.

P.L. 93-378, Forest and Rangeland Renewable Resources Planning Act, August 17, 1974, as amended; (16 U.S.C. 1601).
Directs the Forest Service to periodically prepare a long-term renewable resource assessment and program.

P.L. 95-113, Food and Agriculture Act of 1977 (Title XIV), as amended December 22, 1981 (7 U.S.C. 1281 note and 7 U.S.C. 3221, 3291).
Provides for increased cooperation and coordination in the performance of agricultural research by Federal departments and agencies, the States, State agricultural experiment stations, colleges and universities, and other user groups (7 U.S.C. 1281).

Authorizes the Secretary of Agriculture to engage in international agricultural research and extension, including to "assist the Agency for International Development with agricultural research and extension programs in developing countries." Designates USDA as the lead agency of the Federal Government for agricultural research, extension, and teaching. Eliminates restrictions on use of cooperative agreements with universities, and permits cost-reimbursable agreements with State cooperating institutions without competition.

P.L. 95-307, Forest and Rangeland Renewable Resources Research Act, June 30, 1978 (16 U.S.C. 1641 et. seq., Sections 1-7).
Updates, clarifies, and consolidates forest and range research authorities; provides a specific forest and rangeland link to Title XIV of the 1977 Farm Bill, the National Forest Management Act of 1978 (NFMA), and the Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA); authorizes competitive grants; expands authority for foreign research cooperation.
Such sums as are necessary; no expiration date.

P.L. 95-495, Act of October 21, 1978 (92 Stat. 1649). Section 6(d).
Establishes Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area.
Authorization: $8,000,000 for resource management on the Superior National Forest; expires September 30, 1990.

Fire and Atmospheric Sciences Research

(Dollars in thousands)

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Fire and atmospheric sciences research	$	7,963	8,063	7,716	8,063	7,546	-517
	FTE	170	171	--	171	162	-9

Objective

To develop improved methods of preventing and controlling wildfires; reducing losses of forest resources caused by wind and weather; using prescribed fire to achieve forest and range objectives at low cost; and reducing loss of life, property, and forest resources from fire.

Program description

About 250,000 wildfires burn an area of almost 5 million acres of forest, brush, and grasslands each year in the United States. Combined Federal and State fire protection services cost over a half-billion dollars annually, and losses approach $2 billion.

Forest Service scientists provide fire management agencies--Federal, State, and local--with the knowledge and scientific tools for safe and efficient fire control at lower cost. Firefighting is expensive, and researchers are developing methods to balance protection costs against potential damages and to help managers analyze alternatives.

Managed fire, however, can produce benefits, such as better timber crops, improved wildlife habitat, and control of undesirable vegetation. Research has a major role in prescribed fire management by improving benefits and by reducing fire losses and control costs.

Investigators are developing guidelines to determine the effects of prescribed fire and to help managers meet air quality standards and smoke management requirements, so that prescribed fire may be used instead of herbicides, mechanical equipment, and hand labor in manipulating forest vegetation.

Examples of recent accomplishments follow:

- Design of fire weather networks. In the past, site selection for fire weather stations was limited to locations where an observer was available. With the advent of remote automatic weather stations (RAWS), fire weather measurements could be taken wherever and as often as needed and transmitted via satellite--without manual intervention. However, no accepted method existed for designing fire weather networks.

Research at the Pacific Southwest Station has yielded a means of determining the number and locations of fire weather stations appropriate for a given management prescription. The manager's need for weather information is translated into quantitative criteria that a computer uses to select optimum locations for weather stations. The method was used to devise a fire weather network plan for southern California, where weather analysis is complicated by mountainous terrain and by the interplay between land and sea. Computer models were used to represent fire weather problems induced by Santa Ana and heat wave conditions, such as those that ravaged southern California in the summer of 1985. The design process takes existing weather stations into account, avoiding the unwanted duplication of data. This design method is being considered further for planning hydrologic networks and meteorological experiments.

- VCRs and computers for studying fire behavior. Forest fires change rapidly, hampering studies of their behavior and effects. A single fire may burn with great intensity in some places and less intense in other places. By the time observers figure out precisely what the fire is doing, it is doing something else. Fire researchers at the Southeastern Station have put together a system using video cassette recorders and computers that record and analyze fire much more quickly than with conventional movie cameras. Data and analyses that once took a week or more to obtain now takes a matter of minutes. The system was developed primarily for research purposes, but it holds much promise for fire management.

Video cassette recorders and computers are used to record and analyze fire behavior through time and space.

- Law enforcement reduces arson wildfires. Law enforcement is used to prevent and reduce violations of wildfire laws, thereby protecting human life and forest resources. Scientists at the North Central Station have shown quantitatively, for the first time, that law enforcement reduces arson wildfires.

Scientists found that arson fires in the East decreased as the number of prosecutions, convictions, and settlements increased. They showed that a minimum amount of law enforcement effort greatly reduced the number of arson wildfires, but that additional enforcement yielded a smaller reduction. Researchers concluded that States already vigorously enforcing laws against arsonists would probably realize only a small reduction in arson fires in response to increased enforcement efforts. On the other hand, States with little or no law enforcement may initially realize a large reduction in arson fires by increasing their efforts.

Researchers plan to incorporate cost and value criteria, along with the recently developed law enforcement information, to allow managers to determine the economically efficient level of arson law enforcement. Results of this recently published research are applicable throughout most of the eastern part of the country.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Fire and atmospheric sciences research ...	$	8,063	7,546	-517
	FTE	171	162	-9

A decrease of $517,000 is proposed from the 1987 base.

This funding level will allow research to be concentrated on high priority problems and accelerate close out of nearly completed research. The following actions are anticipated:

- Terminating fire ecology research in interior Alaska (as part of closure of Forestry Sciences Laboratory, Fairbanks, AK). This will allow concentration of research on higher priority fire research problems in the Pacific Northwest.

- Decreasing and delaying atmospheric deposition research on high elevation ecosystems in the West (Fort Collins, CO). Research will be concentrated on determining effects of atmospheric deposition on air quality of Class I Wilderness ecosystems.

- Decreasing research on the relationship between prescribed burning and timber management of Southwestern conifers (Flagstaff, AZ).

Object class information

Salaries and benefits	-313
Travel	-9
Rent, communications, and utilities	-18
Printing and reproduction	-2
Supplies, materials, and equipment	-19
Other contractual services	-29
Grants, subsidies, and contributions	-127
Total	-517

Forest Insect and Disease Research

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)					
Forest insect and disease research	$	21,147	21,093	20,186	21,093	20,178	-915
	FTE	406	406	--	406	389	-17

Objective

To develop technology which prevents or reduces forest and rangeland damage by insect and disease pests, and which protects wood in use and in storage from insects and decay.

Program description

The program provides the means to:

- Define, assess, and predict the economic, social, and environmental effects of destructive insects and disease pests on forest resources and on wood in storage and in use.

- Detect, assess, and predict changes and trends in the distribution and abundance of pests.

- Reduce pest populations and damage to acceptable levels through control techniques and management strategies that are ecologically sound, economical, and environmentally safe.

The research covers bark beetles, leaf-eating insects, cone and seed pests, wood products pests, root rots, rust and canker diseases, diebacks and declines, and stress caused by air pollution, including acid rain.

Results are used to develop environmentally safe and effective strategies for pest management based upon biological, chemical, silvicultural, and other controls.

Emphasis is on early detection of insects and diseases, and preventing outbreaks.

Examples of recent accomplishments follow:

- Highlights in integrated pest management (IPM) research accomplishments. The IPM research, development, and applications program for bark beetles and southern pines has completed a series of summary publications that present information of interest to researchers, pest management specialists, and foresters. Additional information is available in the form of a slide tape and a series of one-page fact sheets.

- Protecting white pine seed. Production of disease-resistant seed in western white pine seed orchards has been severely reduced because of periodic infestations of pine cone beetles, coneworms, and cone moths. Research in Idaho evaluated single and multiple applications of two insecticides--permethrin and fenvalerate--to protect cones of blister rust-resistant western white pine. Concurrently, techniques were developed to monitor these pests to project damage and to time insecticide treatments. The goal of this research is to develop pest management techniques that reduce or eliminate use of pesticides, yet optimize production of valuable white pine seed, which is worth about $2,000 per pound.

- Commercial crop of rust-resistant seeds. Owners of small forest tracts in Georgia soon will be able to plant loblolly and slash pine seedlings that are resistant to fusiform rust. That disease has decimated young pine plantations in central and southern Georgia and Alabama, killing or deforming almost all the trees in some plantings. The resistant seedlings are the results of a cooperative effort by the Georgia Forestry Commission and researchers at the Forest Service's Southeastern Station. The Forestry Commission provided the land and the labor, and the Station provided the expertise in pathology and genetics needed to establish a rust-resistant seed orchard.

Preliminary tests show that use of the resistant seedlings will reduce rust incidence by 40 percent in loblolly and 50 percent in slash pine, the best produced to date in an orchard of commercial scale. The Georgia Forestry Commission is sharing the genetic material with forest industries, which are trying to improve the resistance of material produced in their seed orchards.

Preliminary tests show that use of fusiform rust-resistant seedlings will reduce rust incidence by 40 percent in loblolly and 50 percent in slash pine.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest insect and disease research	$	21,093	20,178	-915
	FTE	406	389	-17

A decrease of $915,000 is proposed from the 1987 base.

Funding at this level will concentrate research on high priority problems such as research on gypsy moth, biotechnology, pest impact assessment, and accelerate close out of nearly completed research. Planned actions include:

- Terminating research on spruce budworm and its natural enemies in northeastern spruce-fir forests (Orono, ME).

- Terminating research on developing safe and inexpensive treatments against subterranean termites (Madison, WI).

- Terminating research on brown spot needle blight on longleaf pine (Gulfport, MS).

- Reducing research on insect pests of young forest stands (Berkeley, CA).

- Reducing research on bark beetles of high value conifers (Berkeley, CA).

- Reducing research on root rots of northern Rocky Mountain conifers (Moscow, ID).

- Reducing research on diseases and insects of high value hardwoods (Carbondale, IL).

- Reducing research on effects of atmospheric deposition on eastern trees (Delaware, OH).

- Reducing research on fusiform rust of southern pines (Gulfport, MS).

- Reducing research on biological methods to protect wood from decay (Madison, WI).

Object class information

Salaries and benefits	-608
Travel	-15
Rent, communications, and utilities	-25
Printing and reproduction	-3
Supplies, materials, and equipment	-28
Other contractual services	-44
Grants, subsidies, and contributions	-192
Total	-915

Exhibit 1

Forest Insect and Disease Research

Pest or problem	1987 Base	1987 Estimate (Dollars in thousands)	Inc.(+) or Dec.(-) from 1987 Base
Dwarf mistletoe, tree decay, and other important pests	$ 3,244	$ 3,280	+36
Gypsy moth	2,896	2,896	--
Regeneration pests	2,393	2,254	-139
Spruce budworms	1,846	1,623	-223
Protection of wood	1,554	1,434	-120
Fusiform rust	1,551	1,267	-284
Pests of high value areas, including diebacks and declines	1,376	1,340	-36
Biotechnology	1,270	1,270	--
Mountain pine beetle and other bark beetles	1,073	1,015	-58
Root diseases	936	898	-38
Air pollution	930	818	-112
Southern pine beetle (IPM-SPB) 1/	756	815	+59
Mycorrhizae	755	755	--
Douglas-fir tussock moth	513	513	--
Total, Forest Service	$21,093	$20,178	-915

1/ IPM-SPB represents the Research Development and Applications Program on Integrated Pest Management of Southern Pine Beetles.

Forest Inventory and Analysis

(Dollars in thousands)

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Forest inventory and analysis	$	17,133	17,049	16,316	17,049	14,222	-2,827
	FTE	348	348	--	348	315	-33

Objective

To provide comprehensive, continuing information, and analyses of forest land resources of the United States.

Program description

Periodic inventories ascertain trends in extent, condition, and ownership of the Nation's forest resources. The data and analyses provide information about timber, wildlife habitat, forage production, and other resource characteristics needed for resource planning.

This research monitors the harvest and use of timber by the forest products industry. Research determines present and prospective national consumption of wood products by major end uses and relates these requirements to the national timber supply.

The forest industry, financial consultants, and State and Federal planners use these comprehensive analyses of forest resource supply and demand to support planning, management, and investment decisions. Where forest conditions and timber supplies change rapidly, frequent reinventories of forest resources are necessary to retain useful inventory data.

Regional and national research projects are developing efficient techniques in forest inventory and data analysis to maintain a cost-effective program.

Examples of recent accomplishments follow:

- Incidence and impact of damage to Georgia's timber, 1982. During the fifth inventory of Georgia's forest resources, Forest Service scientists gave special emphasis to the incidence and source of timber damage. A special report concluded that hardwoods had more damage than softwoods, and more small trees were damaged than were pole-size timber or larger sawtimber. The greatest value loss was in softwood sawtimber. The value of annual losses for softwood sawtimber in Georgia was $96 million compared to $41 million for hardwood sawtimber, even though more volume loss was estimated for hardwoods. In pole-sized timber, the $28 million softwood loss was many times that of hardwoods. Diseases, insects, and weather were the most prevalent damaging disturbances.

This type of information is vital for a successful pest management program. By knowing the types of damage, the relative incidence, and the damaging agents involved, forest managers can design more effective and efficient controls.

- Speeding up forest inventories. State resource planners and forest-industry analysts depend on information from forest inventories in planning industrial development and resource management, but completion time for State forest surveys has increased due to rising costs. During the past 5 years, the average period between successive resource inventories stretched from 10 to 14 years nationwide, but funding levels in 1985 permitted restoration of the 10-year inventory cycle. The data collection phase of the Virginia inventory was accelerated from 20 months to 14 months, and similar reductions were achieved in Illinois and Indiana.

Nationwide, the area of forest land covered during FY 1985 increased 80 percent over FY 1984. New inventory statistics will soon be available for southeast Alaska, Arizona, Delaware, Louisiana, Maryland, New Jersey, New Mexico, western Oregon, and Texas.

Between FY 1980, and FY 1984, average period between successive inventories increased from 10 to 14 years nationwide. Funding increases in FY 1985 restored the 10-year cycle. The FY 1986 funding retained that 10-year cycle.

- Modeling changes in the acreage of forest land among ownerships and timber cover types in the Southeast. Competition among land uses has major implications for future timber supplies. Much of the pine timber being harvested now in the South, for example, comes from timber stands that naturally seeded on abandoned farmland. The distribution of forest land among the various ownership and forest cover type classes has similar implications for future timber supply and the effectiveness of public programs to stimulate timber-growing investments.

In a continuing effort to improve methods of projecting forest land acreages, Forest Service scientists have developed a land-area projection model based on proxies for the relative economic returns that accrue to different land uses. Combining that model with historical forest inventory and analysis data led to projections of a drop in forest land acreage of about 5 percent in the Southeast between now and the year 2030. The forest industry share of that forest land base is projected to increase, as is the miscellaneous private class. The forest acreage held by farmers is projected to drop from about 30 percent to less than 20 percent of the private forest acreage. The portion of forest land in planted pine stands is projected to increase from 15 to 25 percent of the private forest land, while hardwood types would remain about constant and natural pine stands would decline.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest inventory and analysis research	$	17,049	14,222	-2,827
	FTE	348	315	-33

A decrease of $2,827,000 is proposed from the 1987 base.

This allows forest inventory and analysis research to continue, but with the following actions:

- Slowing forest inventories in all regions, lengthening the nationwide average reinventory cycle from the current 10 years to about 12 years.

- Terminating the National Vegetation Survey, which is part of the atmospheric deposition research program. Its purpose is to determine location, extent, and causal relationships of forest damage that may be related to atmospheric deposition.

- Terminating research on remote sensing applications in the nationwide forest inventory (Ft. Collins, CO).

- Reducing research on trends in consumption of wood products in the U.S. economy (Madison, WI).

Object class information

Salaries and benefits	-984
Travel	-79
Rent, communications, and utilities	-157
Printing and reproduction	-22
Supplies, materials, and equipment	-181
Other contractual services	-266
Grants, subsidies, and contributions	-1,138
Total	-2,827

Renewable Resources Economics Research

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
	(Dollars in thousands)					
Renewable resources economics research .... $	4,513	4,566	4,370	4,566	4,456	-110
FTE	99	99	--	99	98	-1

Objective To develop and apply methods for analyzing the responses of forest products markets to economic and institutional forces and for structuring economically efficient forest management activities.

Program description Research results contribute directly to National Forest management decisions and to the design of public and private forestry programs. Individual landowners and forest products processing firms also use the research to manage their resources efficiently. The program has four primary research topics:

- Determine the response of domestic and international forest products markets to economic and institutional forces. Research will help public and private policy makers achieve the full competitive advantage for the forest products industry.

- Design economically efficient management practices that improve timber productivity. Research will result in the design of timber management practices that are economically efficient and sufficiently flexible to respond to the uncertainties of future technology.

- Determine actual timber management responses to economic and institutional factors. A more complete understanding of what affects actual timber management will help forest managers design programs that capture the productive potential of the Nation's timber resource.

- Evaluate the economic efficiency of multiple use management actions on public and private lands.

Examples of recent accomplishments follow:

- Exchange rates influence softwood lumber trade. Researchers at the Pacific Northwest Station are studying the effects of the exchange rate on international trade in lumber. They have found that exchange rates are important in softwood lumber trade and must be considered when formulating trade policy. Previous studies indicate that (1) an increase in the value of domestic currency relative to the currencies of trading partners encourages imports and assists foreign producers, and (2) an increasing exchange rate helps explain the influx of Canadian softwood lumber into U.S. markets and indicates the relative competitive position of U.S. producers in the Japanese market.

A comparison of real prices shows that Canadian producers received higher prices than did U.S. producers between 1978 and 1981, resulting in an increase in the Canadian producers' share of the U.S. market. Exchange rates will partially determine the relative share of the Japanese market that the United States and Canada can expect to gain.

- What's a wild trout worth? Recreation associated with wildlife clearly has economic value. But how do you put a dollar value on experiences that aren't sold in the marketplace? How do such values stack up against stumpage values for timber? If land managers are to allocate scarce resources efficiently, they need the tools to answer questions such as these.

Forest Service scientists have completed studies on the economic value of hunting and fishing in Idaho. They estimated values per trip, per calendar day, and per wildlife and fish user day for many of the species and species groups sought by recreational hunters and anglers in Idaho. This effort involved the Idaho Department of Fish and Game, the USDI Bureau of Land Management and Fish Wildlife Service, the Army Corps of Engineers, and the Forest Service.

Dollar value estimates of hunters' and anglers' consumer surplus measure their willingness to pay for outdoor experiences over and above actual cash expenditures. Values per trip are highest for activities associated with the relatively rare mountain goat ($360) and bighorn sheep ($239), and lowest for generally available activities such as upland game hunting ($35) and warm-water fishing ($42). The size of consumer surplus values is related to the scarcity of the opportunity to hunt or fish for particular species and the expenditure needed to support the activity.

How do you value the experience of catching a big trout in the solitude of a remote mountain stream?

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Renewable resources economics research .... $	4,566	4,456	-110
FTE	99	98	-1

A decrease of $110,000 is proposed from the 1987 base.

Funding at this level will allow research to be concentrated on high priority problems, and accelerate close out of nearly completed research.

Specific actions include reducing research on timber economics and forest product markets in the northern Great Lake States.

Object class information

Salaries and benefits	-38
Travel	-3
Rent, communications, and utilities	-6
Supplies, materials, and equipment	-8
Other contractual services	-10
Grants, and subsidies, and contributions	-45
Total	-110

Trees and Timber Management Research

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Trees and timber management research .... $	22,161	22,468	21,501	22,468	21,339	-1,129
FTE	512	517	--	517	500	-17

Objective

To develop improved silvicultural alternatives and management guidelines needed to increase the productivity and multiple use benefits of forest lands, maximize the growth and quality of trees, and maintain land productivity.

Program description

More timber must be produced on fewer acres to meet expected demands. Achieve higher productivity from forest lands by developing economically, biologically, and environmentally sound forest management practices.

Timber management research ensures that the information and technology needed to achieve full productivity are developed and promptly made available.

The program focuses on development of cost effective and reliable management strategies to improve forest growth, quality, and composition; genetic improvement for superior tree growth, quality, and resistance to forest pests; and more accurate predictions of the growth and yield of forest stands.

Basic research is directed at understanding the physical, biological, and genetic factors that control the development of individual trees and forest stands.

Examples of recent accomplishments follow:

- Predicting loss from fusiform rust in southern pine plantations. Fusiform rust is the most destructive disease in southern pine plantations. The disease infects young plantations, causing galls to form on the branches and main stems of infected trees. Trees with stem galls often die, and those that survive usually are not as merchantable as noninfected trees.

To effectively manage rust-infected plantations, forest managers need an early assessment of the probable impact of the disease on future yields. Unfortunately, impact assessments are difficult because they depend upon complex interactions of site quality, the number of surviving trees per acre, the proportion of stems infected, plantation age, and prospective utilization.

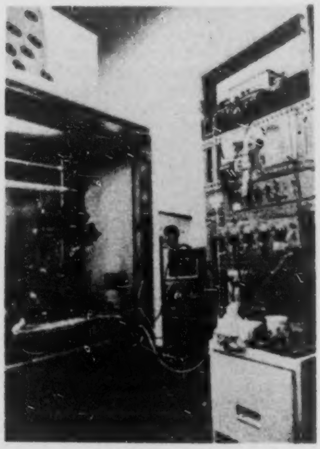
Forest Service scientists are solving this problem. They have developed mathematical models and computer programs which integrate the various factors affecting future yields in infected plantations and predict future yields. Yield predictions can also be combined with economic data, allowing the manager to make decisions that will minimize the economic impact of the disease.

A microcomputer version of the yield-prediction system is now available for unthinned slash pine plantations, and equivalent systems are being developed for loblolly pine and thinned plantations of both species.

- Transferring genes from bacteria into pines. Biotechnology is rapidly coming closer to reality and has significant potential in forestry. A major requirement for the development of forest biotechnology is a way to introduce foreign genes into commercially important tree species.

A method for gene transfer has been developed by scientists of the Pacific Southwest Station, North Carolina State University, and Oregon State University, who have succeeded in the transfer of genetic information from a common bacterium into loblolly pine, the Nation's most widely planted forest tree. This is the first demonstration of gene transfer and function in a forest tree, and makes possible the transfer of genes derived from other plants or created in the laboratory into commercial species.

The long term goal of these studies is genetic improvement of trees without the limitations of long breeding cycles. Biotechnology has the potential to create improved combinations of genes in a single year that could take hundreds of years by the traditional breeding process.



A forest biotechnology laboratory for direct transfer of genetic information into cultured cells of important forest trees. In this laboratory, microphobes are used to carry genes into conifer cells, thus bypassing the normal breeding process.

- Fifty years of research condensed for the field forester. For half a century researchers in the Great Lakes States have been learning how to manage northern hardwood forests. The job has been complex because so many different species of trees make up these forests.

Covering 10 million acres in the three Great Lakes States alone, most northern hardwood forests have been cutover at least once. Second-growth stands have reached pole-size, but many of them are slow growing and of poor quality.

To help these forests achieve their economic and ecologic potential, silviculturists at the North Central Station summarized their research on northern hardwoods and prepared clear, straightforward recommendations for the field forester. Covering all aspects of management, these Northern Hardwood Notes are offered for sale in loose-leaf form by the Superintendent of Documents. The collection will be supplemented and updated as new research results are obtained.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Trees and timber management research ...	$	22,468	21,339	-1,129
	FTE	517	500	-17

A decrease of $1,129,000 is proposed from the 1987 base.

Funding at this level will (1) concentrate research on the highest priority problems, such as impacts of environmental stress on tree growth and development, forest biotechnology, and forest stand growth and yield prediction systems; (2) accelerate close-out of nearly completed research; and (3) postpone start-up of new long-term and high risk research, such as genetic selection of forest trees for insect and disease resistance, development of natural regeneration methods for western conifers, and development of guides for the management of low quality hardwoods on nonindustrial forest lands. Specific actions include:

- Terminating reforestation research and closing the laboratory in interior Alaska (Fairbanks, AK).

- Terminating research on genetic improvement of longleaf and slash pines (Gainesville, FL).

--Terminating hardwood silviculture research on the Cumberland Plateau and Highland Rim (Sewanee, TN), resulting in closure of the research laboratory.

- Reducing research on regeneration guidelines for central Appalachian hardwoods (Parsons, WV). This will facilitate relocation of the Research Work Unit to Morgantown, WV, and closure of the Timber and Watershed Laboratory at Parsons, WV.

- Reducing research on reforestation of Intermountain Douglas-fir and ponderosa pine (Boise, ID), and on Hawaiian koa and ohia (Honolulu, HI).

Object class information

Salaries and benefits	-600
Travel	-26
Rent, communications, and utilities	-44
Supplies, materials, and equipment	-55
Other contractual services	-76
Grants, subsidies, and contributions	-328
Total	-1,129

Watershed Management and Rehabilitation Research

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
Watershed management and rehabilitation research	. $	11,229	15,517	14,850	15,517	14,858	-659
	FTE	238	243	--	243	236	-7

Objective

To develop and test new cost effective technology and methods for rehabilitating lands disturbed by surface mining, and for protecting, managing, and improving forest and rangeland watersheds.

Program description

This research develops new knowledge to help planners and managers meet long term water quality and flow needs, rehabilitate surface-mined lands, and determine the relationship of water quality and flow with alternative land uses.

Forests and rangelands in the contiguous 48 States yield about 1.3 billion acre-feet of water annually. Water flow and quality are improved on forest and rangelands primarily through management of other resources; thus, knowledge from related forest and rangeland research activities helps ensure that managed lands produce consistent flows of acceptable quality water.

To support surface mining activities, research is done to alleviate the impacts of surface mining on associated natural resource values and restore mined areas promptly to full productivity.

The program:

- Develops methods to maintain or improve water quality and yield from forests and rangelands.

- Provides information to maintain soil stability and to stabilize eroded lands.

- Determines ways to conserve snow moisture and to improve vegetative growth and surface water supplies.

- Evaluates the cumulative effects of land management activities on water quality, yield, and stream channel stability.

- Determines the effects of chemicals, including atmospheric deposition, on forests and rangelands.

- Develops new technology to plan mining operations that protect surface and underground water supplies and restore long term productivity of mined lands.

Examples of recent accomplishments follow:

- Technique developed to evaluate off-site effects of logging on streams. Do timber harvest activities affect the physical structure of stream channels downstream from logging activity? Answers to this question are important in the steep forest lands of the Pacific Northwest because of the potential consequences for aquatic resources. Research has shown that timber harvest in this region can affect the timing, rate, and volume of water and sediment movement in streams, but determining the effect of such changes on the physical structure of streams has been difficult.

To address this problem, researchers at the Pacific Northwest Station developed a technique that uses information from aerial photographs to determine the linkage between channel conditions and upstream logging activity. This technique gives forest managers a rapid and inexpensive way to compare watersheds with different management treatments and to analyze changes in watershed conditions over time.

- Quantifying and neutralizing acid deposition. Acid deposition poses a potential threat to forests, lakes, and streams in North America. The chemicals associated with high acidity--sulfates and nitrates--occur naturally and as emissions from the burning of fossil fuels such as coal, gasoline, oil, and natural gas. Scientists at the North Central Experiment Station have developed a method for estimating how much sulfate and nitrate is natural in North American precipitation, and how much is from emissions. This is an important step in evaluating the environmental benefits of emission controls.

These scientists have found that emission-related sulfates and nitrates are linked to acidification of 5 to 10 percent of the clear-water lakes in northeast Wisconsin and upper Michigan. Also, they can now estimate the number of lakes that will be affected if emissions increase or decrease.

Forest Service watershed scientists at the Northeastern Station have identified the soil properties that control the acid neutralizing capacity of watersheds and have demonstrated that the ability of some soils to neutralize acids is very limited.

Various plants and animals can retain sulfate rather than letting it move out of the soil, causing soil acidification if unchecked. At the Southeastern Forest Experiment Station, scientists have shown that biological processes in watershed soils are important in delaying this soil acidification.

Changes in watershed soils not only affect streams and lakes but also adversely affect tree growth. A tree-ring study of red spruce has documented a recent decline in growth that corresponds to increased emissions during the past 20 years.

- Not all erosion is bad. Sometimes erosional processes are necessary before a landscape can be established. Research on the Alkali Creek watershed in western Colorado illustrates the point.

In the early 1960s, Rocky Mountain Station scientists started research on gully stabilization. Evaluations over the ensuing 20 years have shown that rehabilitation is more than a matter of damming gullies--it is a three-stage process. First, the steep, bare, high-sodium gully banks disintegrate. The check dams help prevent the sloughed soil material from being flushed down the channel. Next, weathering and leaching greatly reduce the sodium content of the accumulating soil in the channel bottom. Finally, when enough sodium has been leached from the eroded material, plant cover develops and stabilizes the channel.

Erosion of the steep, high-sodium banks and subsequent leaching of the sodium from the material deposited in the channel bottom are the key factors in stabilizing this kind of watershed. A perennial stream now flows from a formerly ephemeral gully, and suspended sediment has been reduced by 95 percent.

This high-sodium gully bank (left) had to disintegrate and most of the sodium had to be leached from the sloughed material before vegetation could stabilize the channel. (below)

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Watershed management and rehabilitation research .... $	15,517	14,858	-659
FTE	243	236	-7

A decrease of $659,000 is proposed from the 1987 base.

Funding at this level will continue high priority research, including slope stability research in the West and water quality research in the East. Planned actions include:

- Maintaining high priority water quality research in Alaska, but closing the Fairbanks location and moving administration of high priority studies to Anchorage, AK.

- Reducing research on effects of atmospheric deposition on surface and ground water in southern California and on forests in California (Riverside, CA).

- Reducing research on management of blowing snow (Laramie, WY).

- Reducing research on effects of atmospheric deposition on water in the Great Lake States (Grand Rapids, MN).

- Reducing research on effects of atmospheric deposition on watersheds and effects of timber harvesting and road construction on water quality in the central Appalachians. The laboratory at Parsons, WV will be closed, and administration of high priority studies moved to Morgantown, WV.

- Reducing research on effects of atmospheric deposition on Appalachian forest watersheds in Pennsylvania and closing the laboratory at University Park, PA. Administration of high priority studies will be moved to Morgantown, WV.

- Terminating research on municipal watersheds (University Park, PA) as part of closing the research location.

Object class information

Salaries and benefits	-234
Travel	-21
Rent, communications, and utilities	-36
Supplies, materials, and equipment	-45
Other contractual services	-61
Grants, subsidies, and contributions	-262
Total	-659

Wildlife, Range, and Fish Habitat Research

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Wildlife, range, and fish habitat research .... $	9,108	9,480	9,072	9,480	9,291	-189
FTE	191	195	--	195	193	-2

Objective

To develop knowledge and technology for maintaining or improving wildlife and fish habitat, improving range condition and productivity, improving soil stability and vegetative cover, and integrating wildlife, fish, and livestock with other forest and rangeland uses.

Program description

To ensure diverse, well-distributed habitats, productive rangeland ecosystems, and protection and improvement of forage and related resources, managers must understand the complex relationships among habitat quality, growth and response of vegetation to defoliation, other land uses, and wildlife and fish populations.

Major research areas include anadromous fish, integrated management of riparian ecosystems, old growth forest wildlife habitat, multiple use rangeland management, improved varieties of range plants, and integrated management of livestock, wildlife, and fish with other resource uses and values.

The program:

- Provides information to meet legal and regulatory requirements.

- Determines habitat requirements of individual species, including endangered species, game species, and anadromous fish.

- Develops new concepts and methods for cost effective monitoring of wildlife populations.

- Develops new knowledge of ecological principles that apply to planning and management of wildlife, range, and fish habitat.

- Examines forage, habitat, livestock, wildlife, and fish responses to forest and rangeland succession and land management alternatives.

- Determines the effectiveness of livestock in management of vegetation, including undesirable vegetation and noxious weeds.

- Develops new plant materials and techniques to enhance forage production and wildlife and fish habitat.

Examples of recent accomplishments follow:

- Managing Intermountain rangelands. How can productivity of vast acreages of Intermountain rangelands be restored and maintained? Scientists, cattlemen, and politicians have been concerned about western rangelands at least since the 1930s. This concern led to a long term research effort by Intermountain Station scientists.

Their publications on salt-desert shrub rangelands and on the Benmore Experimental Range summarize the most important research findings accumulated for these areas over the past 40 to 50 years. These publications are part of a major technology transfer effort on management of Intermountain rangelands. Each includes alternative management practices applicable to western rangelands.

- White-Tailed Deer: Ecology and Management. The white-tailed deer has made a remarkable recovery since the 1950s. This success story is due, in part, to the information on deer management generated from research done at the Nacogdoches, Texas, laboratory of the Southern Forest Experiment Station. Scientists there have identified the physiological needs of deer and defined the habitat suitability of forest stands. Investigators measured the seasonal production and nutritional value of food in various types of forest stands, and passed this information on to other scientists and land managers.

A notable achievement in transferring information on white-tailed deer to land managers was publication of the book "White-Tailed Deer: Ecology and Management," published by the Wildlife Management Institute and edited by a Forest Service scientist. This book presents information on the biology and behavior of the white-tailed deer that has been assembled from more than 30 years of wildlife habitat research.

Prepared by 72 experts, the recently published book, "White-Tailed Deer: Ecology and Management," has been acknowledged as the definitive work on the white-tailed deer.

- New ways to improve habitat for an endangered species. The endangered Kirtland's warbler is restricted to a small breeding range within State and National Forests in northern Michigan. The population of this species is thought to be limited in part by the amount of suitable habitat available in Michigan. Recent research at the North Central Station has given State and Federal managers new information about Kirtland's warbler habitat requirements, the role of fire in managing the habitat, and population dynamics.

Kirtland's warblers are concentrated in a few large breeding areas, each of which provides suitable habitat for only 10 to 14 years. So habitat must be continually regenerated through timber harvesting and management.

In the past, suitable ground cover for nesting sites had been considered the major requirement, and fire had been thought necessary to create appropriate habitat. Current research, however, suggests that tree crown cover is the key factor limiting stand occupancy, and that ground cover composition is primarily affected by shade of tree crowns. Thus, burning may not be necessary for regenerating Kirtland's warbler habitat, and fire may actually have little influence on ground cover by the time stands are old enough (7 to 12 years) for warbler occupancy. The few days suitable for burning and the associated risk of uncontrolled fire have produced a backlog of stands that need to be regenerated. Because Forest Service research indicates that fire is probably not necessary to create suitable habitat, management strategies are now being developed as alternatives to fire-based methods to create habitat for Kirtland's warbler.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Wildlife, range, and fish habitat research	$	9,480	9,291	-189
	FTE	195	193	-2

A decrease of $189,000 is proposed from the 1987 base.

Funding at this level will result in termination of lowest priority research while permitting continuation of high priority research, such as research on threatened and endangered species, intensive forest manigement and wildlife interactions, anadromous fish, and grazing effects on wildlife and fish. The following actions are anticipated:

- Reducing moose habitat research in Alaska and closing the laboratory at Fairbanks, AK. Administration of high priority studies will be moved to Anchorage, AK.

- Terminating goat vegetation research in the Southwest (Tempe, AZ).

Object class information

Salaries and benefits	-68
Travel	-5
Transportation of things	-1
Rent, communications, and utilities	-10
Supplies, materials, and equipment	-12
Other contractual services	-17
Grants, subsidies, and contributions	-76
Total	-189

Forest Recreation Research

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Forest recreation research . $	2,084	2,141	2,049	2,141	2,077	-64
FTE	41	41	--	41	40	-1

Objective

To provide land managers with the technology to provide more and higher quality outdoor recreation experiences. To develop knowledge to manage vegetation in and near urban areas for optimum economic, social, and environmental benefits.

Program description

Recreation research provides a scientific basis for decisions on investments in forest recreation, ensures that appropriate recreation experiences are available, and provides technology to protect resources for future use. Continuing research addresses problems regarding the protection, management, and allocation of scarce recreation resources.

Urban forests and associated open land take up 50 percent of the space in the typical American city. These valuable resources produce many environmental, economic, and social benefits.

Urban forestry research provides new technology to maximize the amount and variety of benefits that urban forests produce. Forest science brings a unique perspective to problems of managing urban forest resources by treating the urban forest as a multiple use resource system. Such management considers all natural resources in and near urban environments, not just "street trees."

The program provides the means to:

- Determine factors that underlie recreation supply, demand, preferences, and benefits.

- Develop capabilities to provide high quality recreation experiences and facilities, while preserving natural environments.

- Determine methods to maintain safety, enhance educational opportunities, and reduce vandalism and conflict among recreation users.

- Value benefits that urban forests can produce.

- Manage urban forest resources to improve urban environments.

- Select, establish, maintain, and protect urban forest vegetation.

Examples of recent accomplishments follow:

- A new management system to determine the carrying capacity of wilderness. Most wilderness managers consider their major challenge to be determining wilderness carrying capacity for recreational use and managing for it. Despite increased knowledge about the severity of recreation's impacts and visitor preferences for solitude--the two primary components of carrying capacity--determining the maximum allowable number of recreational visitors has proven difficult.

Scientists at the Intermountain Station have developed a limits-of-acceptable-change approach, which solves the carrying capacity problem. The challenge is not one of preventing any human-induced change but rather one of deciding how much change will be allowed to occur, where, and how to control it. The system is a nine-step process that defines the amount of change to be allowed, identifies appropriate management actions needed to prevent further change, and establishes procedures for monitoring and evaluating management performance.

The Limits of Acceptable Change (LAC) System is a nine-step process that helps managers solve the wilderness carrying capacity problem.

- How many trees should there be in a park? Trees in urban parks are vulnerable to stress, disease, and insect attack. Many park managers are now planting "new" trees in anticipation of the decline and death of old trees. To be successful in maintaining the attractiveness of the park, managers need guidance about how many trees per acre look most attractive to park users.

The North Central Station and the Morton Arboretum cooperated in studying people's evaluations of various tree densities in two parks in the Chicago suburbs. Groups of people viewed and rated color slides depicting different tree densities. Most raters preferred tree densities of 50 to 65 trees per acre. A group of staff and volunteers at the Morton Arboretum, however, preferred somewhat higher densities of around 75 trees per acre.

This information can be used to guide tree replacement efforts by managers of parks where the species and size distributions of trees are similar to the parks photographed for this research. The Morton Arboretum is now cooperating with two Chicago-area park districts to implement these results in park reforestation programs, to maintain attractive park landscapes for future users.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest recreation research	$	2,141	2,077	-64
	FTE	41	40	-1

A decrease of $64,000 is proposed from the 1987 base.

Funding at this level will sustain high priority research, such as wilderness management research and urban forestry research, while reducing lower priority research.

Planned actions include reducing research on river recreation management and closing the research unit (St. Paul, MN). Administration of high priority studies will be moved to Chicago, IL.

Object class information

Salaries and benefits	-37
Rent, communications, and utilities	-3
Supplies, materials, and equipment	-2
Other contractual services	-4
Grants, subsidies, and contributions	-18
Total	-64

Forest Products and Harvesting Research

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
Forest products and harvesting research	$	18,488	18,349	17,560	18,349	17,514	-835
	FTE	396	396	--	396	380	-16

Objective

To provide technology to harvest and utilize timber more efficiently. To develop timber harvesting and transporting systems that are economically and environmentally acceptable. To improve the performance of wood products. To expand opportunities for wood products exports. To reduce costs and energy consumption in wood processing. To facilitate forest management and environmental protection through improved harvesting and use of wood.

Program description

Research expands the recovery of high value products from each log and increases the utilization of low value trees, logging residues, dead trees, whole trees, and mill wastes.

Utilization research produces improved lumber, structural particleboard, panels, pulp, paper, chemicals, and fuels from wood. It also develops wood-processing and preservative systems that will reduce waste, pollution, energy consumption, and losses from wood destroying organisms. It develops economical and energy efficient wood structures. Since the turn of the century, basic and applied research has developed the technology to nearly triple the product recovery from each log brought to the mill.

Harvesting research addresses specific regional forestry and environmental problems. In the Pacific Northwest and Alaska, the focus is on improved systems to harvest trees economically and to recover logging residues from steep terrain.

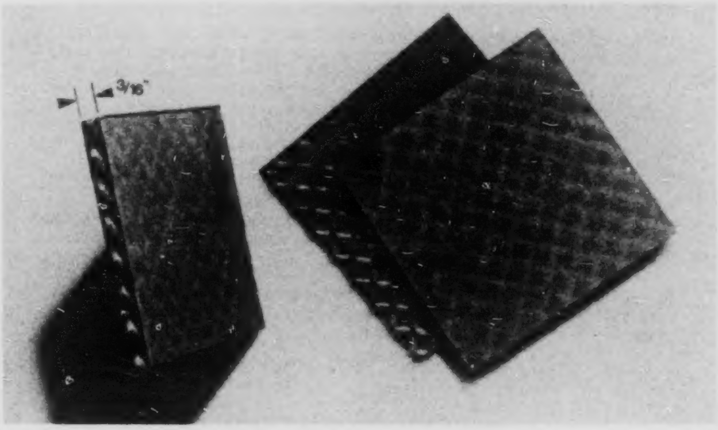
In the Intermountain area, research addresses the problems of forest road building on unstable slopes and harvesting operations in small diameter, overstocked timber stands.

In the East, harvesting research is conducted on new methods to recover and use low grade hardwood trees and logging residues.

In the South, the primary effort is on small trees and plantation harvesting. A major thrust is to recover the 180 million dry tons of residue, cull, and small trees left on harvest sites annually.

Some examples of recent accomplishments follow:

- FPL spaceboard. Research in paper and wood fiber materials technology has led to a new structural sandwich panel product which has been named "FPL Spaceboard." The new structural material is made up of pulp fiber sandwich panel components which are molded in a waffle-like configuration directly on the paper machine. Two such layers are bonded together to give a sandwich board that has exceptional and equal strength in both principal directions of the structure. This technology is being combined with other recent Forest Service advances in paper drying and water-repellancy which further increases the product's strength and water-resistance. The term "Spaceboard" is derived from the light weight and great strength of the new material which could lead to structural applications in space or in closer-to-home uses such as temporary remote shelters, flown-in emergency housing for disaster or military use, or shipping containers. For the same weight of fiber, the FPL Spaceboard (using hardwood fiber) was found, on a laboratory scale, to be from 30 to 200 percent stronger in edgewise compression strength than typical strengths for a commercial board made from softwood pulp.



This newly developed product, called FPL Spaceboard, can be made from low-quality wood pulp fiber and used to make a variety of high-performance structural products.

- Durable wood adhesives modified with renewable materials. During the past 25 years, petroleum-derived phenolic resins have been the most common adhesive used to produce weather-resistant wood products. The energy crisis of the 1970s and the inevitable decline in petroleum-derived adhesive have prompted research to develop adhesive components based on a readily available, renewable material that does not sacrifice high durability or bonding ease. This could lower the cost of bonded wood products.

Research has demonstrated that wood-derived carbohydrate chemicals can replace about half of the petroleum-derived phenolics now used in exterior wood adhesives. Plywood panels can be bonded with carbohydrate-modified phenolic adhesives at temperatures and pressures similar to those now used commercially to make bonded wood products. The panels have dry-wet-shear strengths equivalent to those of conventional phenolic adhesives.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest products and harvesting research ...	$	18,349	17,514	-835
	FTE	396	380	-16

A decrease of $835,000 is proposed from the 1987 base.

The proposed decrease will be achieved through savings from programs which have been completed, termination and reduction of programs which have reached lower priority status, and deferment of planned new initiatives.

The following actions are anticipated:

- Terminating research on development of veneer-faced flakeboard panels and lumber (Com-ply). The program is essentially completed, and private industry is constructing a manufacturing facility which applies the technology (Athens, GA).

- Terminating research on machining of wood (Carbondale, IL).

- Terminating research on the thermal properties of fiber-board container materials (Madison, WI).

- Reducing research on long term performance of composite flake/resin structural panel and board materials (Madison, WI).

- Reducing research on sawing, drying, and anatomical characteristics of domestic and tropical wood species (Madison, WI).

- Reducing research on problems of moisture movement and condensation in wooden structures (Madison, WI).

- Reducing research on harvesting and utilization of small diameter softwoods (Missoula, MT).

Object class information

Salaries and benefits	-564
Travel	-13
Rent, communications, and utilities	-22
Supplies, materials, and equipment	-29
Other contractual services	-39
Grants, subsidies, and contributions	-168
Total	-835

Special Projects, Competitive Grants

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)				
Special projects, competitive grants .... $	(7,840)	6,799	6,507	6,799	--	-6,799
FTE	--	--	--	--	--	--

Objective To develop fundamental knowledge and understanding of wood properties and structures, biological mechanisms of forest organisms, and relationships within forest ecosystems.

Program description Congress appropriated $6,799,000 in FY 1986 for a Forest Service competitive research grants program in forestry, with funding directed at basic research in two areas:

- Improved harvesting, processing, and utilization, with emphasis on physical and mechanical properties of wood and wood chemistry.

- Fundamental forest biology, including biotechnology.

This new competitive research grants program in forestry is administered by the USDA Competitive Research Grants Office in Science and Education--the same office administering the agricultural competitive grants program. Funds are allocated to the Competitive Research Grants Office, in Science and Education, Department of Agriculture.

The procedures for awarding grants are based on a competitive evaluation process used by the National Science Foundation. Requests for proposals appear in the Federal Register after clearance by the USDA Office of the General Counsel and the Office of Management and Budget.

Scientists on leave from their institutions serve as program managers or evaluation panel members. Federal employees serve as associate program managers performing essential administrative tasks.

All qualified scientists in the United States are eligible for grants, including Federal scientists.

A total of 476 proposals--many more than anticipated--totaling $124.1 million were received for the $7.8 million in grants appropriated for FY 1985. Of these, 54 received grants. The average grant was approximately $135,000, and covered a three-year period. Grants were awarded as follows:

Program Area	Number of Grants	Amount
Harvesting, Process, and Utilization		
Wood chemistry and biochemistry	12	$1,750,000
Physical properties and processing technology	11	1,500,000
Structural wood engineering	5	500,000
Subtotal	28	3,750,000
Forest biology, including biotechnology		
Genetic structure and function	11	1,500,000
Mechanisms of interactions in forest systems	15	2,250,000
Subtotal	26	3,750,000
Grants Total	54	$7,500,000
U.S.D.A. Office of Competitive Grants, Administrative Expenses		340,000
FY 1985 Appropriation Total		$7,840,000

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Special projects, competitive grants .... $	6,799	--	-6,799
FTE	--	--	--

A decrease of $6,799,000 from the 1987 base will eliminate the program.

Since payoffs from this program are long term, it can be discontinued without affecting current efforts that are of higher priority.

Object class information

Printing and reproduction	-87
Supplies, materials, and equipment	-117
Grants, subsidies, and contributions	-6,595
Total	-6,799

DISTRIBUTION OF RESEARCH FUNDS, FY 1985-1987 1/

Distribution by Station and Washington Office

(Dollars in thousands)

Station	1985 Appropriation	1986 Appropriation	1987 Estimate
Pacific Northwest	$ 14,488	$ 14,619	$ 13,792
Pacific Southwest	8,811	9,218	8,918
Intermountain	10,286	10,180	9,975
Rocky Mountain	9,511	9,553	8,960
North Central	10,088	9,814	9,357
Northeastern	15,890	15,329	14,519
Southeastern	12,461	13,102	10,806
Southern	13,378	12,780	12,260
Forest Products Lab	12,259	12,510	12,010
Region 8 (FPM)	261	--	--
Washington Office 2/	6,393	7,621	6,884
Acid Deposition Program	--	4,000 3/	4,000 3/
Subtotal, Forest Service	$113,826	$118,726	$111,481
Transfer to Office of Grants and Program Systems, Competitive Grants	(7,840)	6,799	--
TOTAL	$113,826	$125,525	$111,481

1/ General Administration costs at Research locations are not charged to the Research appropriation, but are paid for out of the General Administration line item in the National Forest System appropriation.

2/ The Washington Office Research appropriations include costs for research administrators and staff scientists who are responsible for national research program coordination and expert scientific advice through Regional Experiment Station program review and analysis.

3/ $4,000,000 will be distributed to the research Stations under the National Acid Deposition Research Program.

Distribution by Function

Function	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
	(Dollars in thousands)		
Salaries/personnel compensation	$ 70,329	$ 70,794	$ 67,746
Personnel benefits	8,988	9,047	8,657
Benefits for former personnel	186	187	179
Travel and transportation of persons	3,785	4,411	3,960
Transportation of things	543	633	568
Standard level user charges	1,757	1,888	1,583
Communications and utilities	4,751	5,537	4,970
Building rentals	119	139	125
Printing and reproduction	1,016	1,184	1,063
Other contractual services	12,719	14,824	13,308
Supplies and materials	3,168	3,692	3,314
Equipment	5,022	5,853	5,254
Lands and structures	75	87	78
Grants, subsidies, and contributions	679	7,242	670
Insurance claims and indemnities	6	7	6
TOTAL	$113,143	$125,525	$111,481

FOREST RESEARCH

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-1104-0-1-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
	1. Fire and atmospheric sciences research	8,074	8,063	7,546
	2. Forest insect and disease research	20,441	21,093	20,178
	3. Forest inventory and analysis	16,630	17,049	14,222
	4. Renewable resources economics research	4,570	4,566	4,456
	5. Timber management research	22,984	22,467	21,339
	6. Watershed management and rehabilitation research	10,979	15,517	14,858
	7. Wildlife, range, and fish habitat research	9,132	9,480	9,291
	8. Forest recreation research	2,027	2,141	2,077
	9. Forest products and harvesting research	18,306	18,349	17,514
	10. Competitive grants	---	6,800	---
	Total direct program	113,143	125,525	111,481
	Reimbursable program	5,256	9,434	8,300
10.00	Total obligations	118,399	134,959	119,781
	Financing:			
	Offsetting collections from:			
11.00	Federal funds	-4,979	-8,938	-7,864
14.00	Non-federal sources	-276	-496	-436
25.00	Unobligated balance lapsing	682	---	---
39.00	Budget authority	113,826	125,525	111,481
	Budget authority:			
40.0001	Appropriation	121,666	126,283	111,481
40.0002	Reduction pursuant to P.L. 99-190	---	-758	---
41.0001	Transfer to other accounts	-7,840	---	---
43.0001	Appropriation (adjusted)	113,826	125,525	111,481
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	113,143	125,525	111,481
72.40	Obligated balance, start of year	21,274	21,348	23,894
74.40	Obligated balance, end of year	-21,348	-23,894	-20,922
90.00	Outlays	113,069	122,979	114,453

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority	113,826	125,525	111,481
Outlays	113,069	122,979	114,453
Reduction pursuant to P.L. 99-177:			
Budget authority	.....	-5,398	.....
Outlays	.....	-4,152	-1,267
Total:			
Budget authority	113,826	120,127	111,481
Outlays	113,069	118,827	113,186

FOREST RESEARCH

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-1104-0-1-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	65,011	65,430	62,623
11.3	Other than full-time permanent	5,045	5,076	4,864
11.5	Other personnel compensation	273	288	259
11.9	Total personnel compensation	70,329	70,794	67,746
	Personnel benefits:			
12.1	Civilian	8,988	9,047	8,657
13.0	Benefits for former personnel	186	187	179
21.0	Travel and transportation of persons	3,785	4,411	3,960
22.0	Transportation of things	543	633	568
23.1	Standard level user charges	1,757	1,888	1,583
23.2	Rental payments to others	119	139	125
23.3	Communications, utilities, and miscellaneous charges	4,751	5,537	4,970
24.0	Printing and reproduction	1,016	1,184	1,063
25.0	Other services	12,719	14,824	13,308
26.0	Supplies and materials	3,168	3,692	3,314
31.0	Equipment	5,022	5,853	5,254
32.0	Lands and structures	75	87	78
41.0	Grants, subsidies, and contributions	679	7,242	670
42.0	Insurance claims and indemnities	6	7	6
99.0	Subtotal direct obligations	113,143	125,525	111,481
99.0	Reimbursable obligations	5,256	9,434	8,300
99.9	Total obligations	118,399	134,959	119,781

FOREST RESEARCH

PERSONNEL SUMMARY

Identification code: 12-1104-0-1-302	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	2,136	2,131	2,016
Total compensable workyears:			
Full-time equivalent employment	2,366	2,363	2,262
Full-time equivalent of overtime and holiday hours	10	10	9
Average ES salary	68,063	68,063	68,063
Average GS grade	11.87	11.87	11.80
Average GS salary	32,433	32,433	32,433
Average salary of ungraded positions	22,318	22,318	22,318
Reimbursable:			
Total number of full-time permanent positions	28	34	37
Total compensable workyears:			
Full-time equivalent employment	53	53	51
Full-time equivalent of overtime and holiday hours	1	1	1
Average ES salary	----	----	----
Average GS grade	12.76	12.76	12.76
Average GS salary	38,909	38,909	38,909
Average salary of ungraded positions	----	----	----

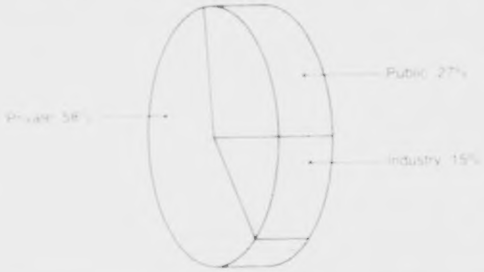
State and Private Forestry

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)				
Forest pest management	$	29,825	29,433	28,168	29,433	18,671	-10,762	-10,762
	FTE	426	395	--	395	383	-12	-12
Fire protection	$	13,139	13,618	13,032	13,618	3,400	-10,218	-10,218
	FTE	50	50	--	50	50	--	--
Forest management and utilization	$	10,756	9,945	9,518	9,945	--	-9,945	-9,945
	FTE	98	97	--	97	--	-97	-97
Special projects	$	4,572	4,642	4,442	4,642	2,800	-1,842	-1,842
	FTE	12	10	--	10	--	-10	-10
Total	$	58,292	57,638	55,160	57,638	24,871	-32,767	-32,767
	FTE	586	552	--	552	433	-119	-119

Appropriation Summary Statement

Fifty-eight percent of the Nation's commercial forest land is in nonindustrial private ownership. This land is important in meeting needs for natural resources, especially timber. Of the 278 million acres of nonindustrial private commercial forest land, 124 million acres contain economic opportunities for intensified management. Cooperative State and private forestry programs help landowners manage their lands better.

Ownership
Commercial Forest Land



Forest Service State and private forestry programs provide national leadership and assistance through high priority Federal activities, including coordination, information, analysis and planning, cooperative project management, technology development and transfer, and emergency programs.

Cooperative forestry programs are delivered through State Foresters or equivalent officials in the 50 States, District of Columbia, Trust territories of the Pacific Islands, Northern Mariana Islands, Puerto Rico, and the Virgin Islands. The programs are authorized by the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2101-2110).

Federal assistance is provided to:

- Protect non-Federal wildlands from fire.

- Reduce losses of timber, tree growth, and quality of wood products through protection from damaging insects and diseases.

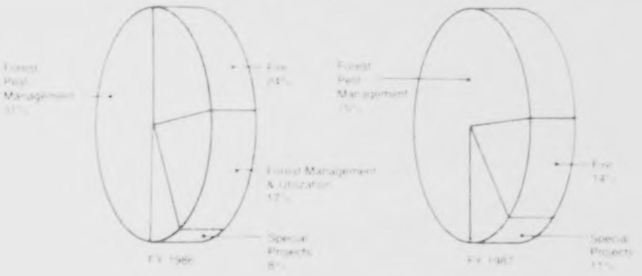
- Assist landowners, operators, wood processors, and State and local agencies in increasing timber growth and harvests; protecting soil and water; and improving efficiency and reducing waste in wood product harvesting, processing, and marketing.

- Manage rural and urban forest resources for multiple uses.

The Forest Service annually negotiates with each State the priorities and specific activities the State will contribute to the overall national program. Available Federal assistance, based on the agreed upon program activities, is provided to the State. To the degree that Federal funding is reduced or eliminated, individual State priorities and budget constraints determine the level of program activity.

The following chart shows the proposed distribution of State and Private Forestry funds for FY 1986 and FY 1987.

State and Private Forestry Programs



Forest Service cooperative forestry programs are closely related to, but distinct from, assistance programs of other USDA agencies, including the Soil Conservation Service, the Extension Service, the Agricultural Stabilization and Conservation Service, and the Farmers Home Administration. Intra-agency agreements explain each agency's responsibility for encouraging protection, management, and use of privately owned forest resources.

Federal cooperative forestry programs help achieve resource management objectives associated with the Resource Conservation Act and the National Conservation Program. Funding in forest management is targeted at controlling erosion and flooding through forestry.

State and private forestry also provides national leadership for transferring forestry technology. The goal is to assist in the transfer of forestry research results to improve forest resource protection, management, and utilization.

State forest resources planning and organizational management assistance is funded from the benefiting programs of forest pest management, fire protection, and forest management and utilization. The planning program provides assistance to States in identifying State responsibility and priority for various forestry management programs. At the FY 1987 budget level, no funding is provided for management improvement.

Authorities

P.L. 78-412, Department of Agriculture Organic Act of September 21, 1944 (7 U.S.C. 2250). Section 703.
Erect, alter, and repair buildings necessary to carry out authorized work.

P.L. 89-106, The Special Research Grants Act of August 4, 1965 (7 U.S.C. 2250a). Section 1.
Erection and leasing buildings, structures, and land from non-Federal sources.
Such sums as appropriated, no expiration date specified.

P.L. 95-313, Cooperative Forestry Assistance Act of 1978, July 1, 1978 (16 U.S.C. 2101-2110). Sections 3 and 5-8.
Cooperation in forest management and urban and community forestry; insect and disease control; rural fire control; and management and planning assistance.
(05-96) 12-1100 302 SAGR HAGR
Such sums as appropriated; no expiration date specified.

P.L. 93-378, Forest and Rangeland Renewable Resources Planning Act, August 17, 1974, as amended (16 U.S.C. 1601). Sections 2-5.
Forest resources planning and evaluation.
(05-96) 12-1100 302 SAGR HAGR
Such sums as appropriated; no expiration date specified.

P.L. 95-495, Act of October 21, 1978 (92 Stat. 1649), Section 6(d)(2).
Establishes Boundary Waters Canoe Area Wilderness.
$3,000,000 additional for grants to the State of Minnesota for resource management activities.
Authority for this grant expires at the end of FY 1990.

P.L. 96-586, Act of December 23, 1980. Sections 2(g) and 3.
Land acquisitions in the Lake Tahoe Basin.
Payments to localities for water pollution control and land management.
(05-96) 12-1105 302 SENR HIIA
Authorization is 15 percent of the Land and Water Conservation Fund appropriation for Lake Tahoe Basin land acquisitions each year. Expires when all Clark County, Nevada, land specified in the Act is sold by the U.S. Department of Interior, Bureau of Land Management.

P.L. 99-198, Act of December 23, 1985, the Agriculture, Food, Trade, and Conservation Act.
Such sums as may be necessary; authority expires at the end of calendar year 1990.

Forest Pest Management

(Dollars in thousands)

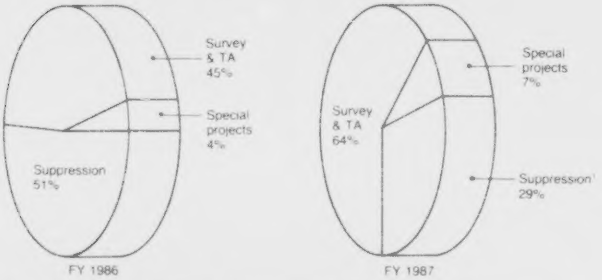
		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Federal lands							
Surveys and technical assistance	$	10,933	11,415	10,924	11,415	11,343	-72
	Million acres	139	144	--	144	135	-9
	FTE	253	236	--	236	236	--
Insect and disease suppression	$	7,919	8,051	7,705	8,051	5,402	-2,649
	Thousand acres	249	N/A	--	N/A	N/A	--
	FTE	153	141	--	141	129	-12
Special projects	$	1,227	1,244	1,191	1,244	1,250	+6
	FTE	20	18	--	18	18	--
Cooperative Lands							
Surveys and technical assistance	$	1,886	1,865	1,785	1,865	676	-1,189
	Million acres	417	411	--	411	35	-376
	FTE	--	--	--	--	--	--
Insect and disease suppression	$	6,860	6,858	6,563	6,858	--	-6,858
	Thousand acres	864	N/A	--	N/A	--	--
	FTE	--	--	--	--	--	--
Total	$	28,825	29,433	28,168	29,433	18,671	-10,762
	FTE	426	395	--	395	383	-12

N/A = Not available. Acres are not available until the work is completed.

General The forest pest management program prevents and reduces insect and disease-caused losses with emphasis on integrated pest management. The program's primary roles are to provide technical and financial assistance for technology transfer; coordination in forest insect and disease detection, evaluation, and prevention; and suppression on forest lands of all ownerships.

To accomplish its general objective, Forest Pest Management is separated into surveys and technical assistance, suppression, and special projects. The distribution of funding for these categories for FY 1986 and FY 1987 follows.

Forest Pest Management Program



[1] Reduction from FY 1986 level reflects elimination of funding for cooperative insect and disease suppression

A female gypsy moth laying eggs.

Federal Lands: Surveys and Technical Assistance

Objective

To detect and evaluate insect and disease outbreaks at an early stage to reduce suppression costs and forest resource losses. To provide technical assistance on integrated pest management, prevention strategies, and proper use and handling of pesticides.

Program description

This program provides nationwide support for pest detection surveys, evaluations, and reports of pest problems to Federal land managers (including U.S. Departments of Agriculture, Interior, and Defense) and to Congress.

A major goal of this program is to get pest management principles incorporated into forest management and thereby reduce periodic major pest outbreaks.

This program provides technical advice and transfers technology to Federal land managers by sponsoring training sessions, seminars, symposia, and workshops to ensure that sound pest management strategies are used in forest resource management and that pesticides are not misused.

A typical Southern pine beetle infestation on the National Forests in Texas which has been treated by the cut-and-leave method. The remaining standing trees, where beetles have been and left, are pine or hardwoods.

In FY 1985, 139 million acres of Federal forest lands were surveyed, resulting in 508 biological evaluations on 14 million acres of land.

This accomplishment delineated insect and disease occurrences, including damage possibly caused by atmospheric pollution or acid deposition, and provided land managers with information needed to evaluate control options, including no control.

Major forest pest problems surveyed and evaluated in FY 1985 include spruce decline and gypsy moth in the East; dwarf mistletoe, mountain pine beetle, and spruce budworm in the West; and southern pine beetle and oak wilt in the South.

In FY 1985, 1,791 Federal employees received training in insect and disease management and 306 Federal employees were trained in pesticide-use management and coordination.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Federal lands:				
Surveys and technical assistance	$	11,415	11,343	-72
	FTE	236	236	--

A decrease of $72,000 is proposed from the 1987 base. Management improvements will minimize the effect of the reduction on the program.

This decrease will maintain detection, evaluation, and technical assistance activities on Federal lands for the current major pest outbreaks.

Object class information

Supplies, materials, and equipment	-5
Other contractual services	-67
Total	-72

Federal Lands: Insect and Disease Suppression

Objective

To prevent and reduce economically unacceptable forest resource losses by suppressing damaging forest insects and diseases with the latest integrated pest management techniques. To maintain healthy, productive forest environments.

Program description

Forest insects and diseases weaken and kill trees, cause growth loss and site deterioration, and reduce the quality of the forest environment. This program uses silvicultural, biological, chemical, and mechanical methods to suppress major forest pests. Examples of current major pest outbreaks are the gypsy moth, spruce budworm, bark beetle, and dwarf mistletoe.

During FY 1985, approximately 238,700 acres of National Forest System lands and 10,600 acres of other Federal lands were treated. These suppression activities protected about 228 million cubic feet of merchantable timber. Salvage operations removed 78 million cubic feet of infested merchantable timber. Further degradation of aesthetics, recreation, wildlife, water quality, and other resource values was prevented in the treatment areas.

Expectations for FY 1986 and FY 1987 are that major pest outbreaks will continue and suppression will be necessary to reduce economic damage and tree mortality. Initial targets for pest suppression are not included for FY 1986 and FY 1987, as specific outbreaks cannot be forecast at this time. Targets will be established when actual suppression projects are approved, based on timely site specific evaluations.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Federal lands Insect and disease suppression	$	8,051	5,402	-2,649
	FTE	141	129	-12

A decrease of $2,649,000 is proposed from the 1987 base. This program level will provide for treating those pests causing the most severe damage.

The decrease also allows for responding to litigation related to major forest pest suppression, obtaining technical and legal assistance in preparing risk and worst case analyses, and compiling information on pesticides used in forest resource management.

State and private landowners will be responsible for suppression on their lands. Federal funds will be used on State and private lands when Federal suppression projects include intermingled State and private lands as part of a biologically sound treatment unit. Technical assistance for management improvement on State and private lands is not included in this program.

Object class information

Salaries and benefits	-343
Travel	-153
Rent, communications, and utilities	-30
Supplies, materials, and equipment	-35
Other contractual services	-2,088
Total	-2,649

Special Projects

Objective

To obtain information on pest impacts. To develop and demonstrate new or improved technology and bring it into use. To assess benefits and risks of using pesticides for forest pest management activities.

Program description

This program:

-- Carries out long term impact assessments to provide information for improving pest management program decisions.

-- Develops, improves, and demonstrates new technologies, materials, methods, and strategies to improve forest pest management efficiency.

-- Evaluates the benefits and environmental risks of using pesticides critically important to forestry under the USDA-National Agricultural Pesticide Impact Assessment Program (NAPIAP).

In FY 1985, special projects included the cooperative Maryland integrated pest management gypsy moth pilot project, and continued production of the Douglas-fir tussock moth virus at the Forestry Sciences Laboratory in Corvallis, Oregon.

NAPIAP projects fill data gaps on environmental effects, human exposure, and timber growth yields associated with the use of pesticides in forestry.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Special projects .... $	1,244	1,250	+6
FTE	18	18	--

An increase of $6,000 is proposed from the 1987 base. This program level provides for priority special projects related to impact assessment, virus production and evaluation, and continuation of NAPIAP projects.

Object class information

Other contractual services	+6
Total	+6

Cooperative Lands: Surveys and Technical Assistance

Objective

To maximize Federal and States efficiency in conducting a coordinated pest management program. To detect and evaluate insect and disease outbreaks at an early stage to reduce forest resource losses and suppression costs. To provide technical assistance and coordination on pest management activities on State and private lands. To provide Federal forest managers information about pest activities on adjacent lands.

Program description

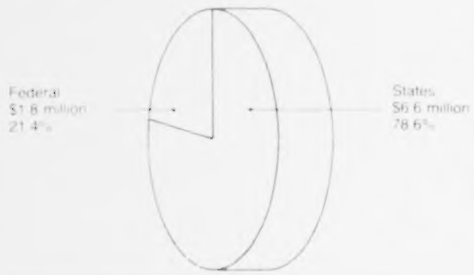
The Cooperative Pest Action Program shares costs with the States for surveying and evaluating insects and diseases. These assessments of pest-caused damage on non-Federal forest resources provide managers of Federal lands, intermingled with State and private lands, information needed to redeem USDA pest management coordination roles. The information is also used to assess the condition of the nation's forest resources with respect to pest-caused damages.

The program shares the cost of providing technology transfer and technical assistance to private forest landowners, helping ensure coordination of a sound pest management program. This coordinated approach to pest management across all forest land ownerships increases effectiveness and efficiency and minimizes adverse environmental and human health impacts that can result from uninformed and uncoordinated pest management activities.

In FY 1985, about 417 million acres of State and private lands were surveyed to detect pests. These surveys resulted in 1,992 evaluations of pest conditions on about 79 million acres.

In FY 1985, 22,726 State personnel were trained in insect and disease management and 3,293 in pesticide-use management and coordination.

Cooperative Surveys and Technical Assistance
1985 Financial Assistance



Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Cooperative lands: Surveys and technical assistance .... $	1,865	676	-1,189
FTE	--	--	--

A decrease of $1,189,000 is proposed from the 1987 base. This eliminates the Forest Service's Cooperative Forest Pest Action Program.

States are expected to continue effective State and private survey and technical assistance programs commensurate with State priorities.

The funds proposed will permit the Federal Government to purchase State-collected data on forest pest conditions in selected areas where needed for managing intermingled Federal land and to make national assessments of pest conditions.

Object class information

Other contractual services	+174
Grants, subsidies, and contributions	-1,363
Total	-1,189

Cooperative Lands: Insect and Disease Suppression

Objective

To prevent and reduce economically unacceptable forest resource losses on State and private forests by suppressing damaging forest insects and diseases, using the latest integrated pest management techniques. To facilitate the coordination of suppression projects on intermingled land ownerships.

Program description

Current major problems on State and private lands are the gypsy moth, spruce budworms, and bark beetles.

In FY 1985, Federal financial assistance was provided for projects that met biological, environmental, economic, and Federal criteria. The FY 1985 and FY 1986 assistance rate is 25 percent for non-Federal public lands, 33-1/3 percent for industrial lands, and 50 percent for nonindustrial private lands.

In FY 1985, this program treated 864 thousand acres of State and private lands, protected 7.9 million cubic feet of merchantable timber, and removed 73 million feet of infested merchantable timber through salvage operations.

Additionally, in FY 1985, forest pest management provided $1.7 million to USDA Animal Plant Health Inspection Service for gypsy moth eradication in Oregon and other States. However, technical assistance was provided for both the gypsy moth eradication project and for grasshopper control efforts.

Cooperative Insect and Disease Suppression
1985 Financial Assistance

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Cooperative funds: Insect and disease suppression ..... $	4,000	--	-4,000

A decrease of $4,000,000 is proposed from the 1987 base.

This program funds alternative Federal financial assistance to the States for cooperative insect and disease suppression projects. An exception is where intermingled State and private lands are involved in a Federal lands suppression project. (See Federal Lands, Insect and Disease Suppression).

Object class information

Grants, subsidies, and contributions	-4,000
Total	-4,000

Fire Protection

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with SEA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Fire protection .... $	13,729	13,818	13,232	13,718	3,000	-10,718
(FTE)	60	61	—	56	56	—

Objective

To achieve efficiency in fire protection on non-Federal wildlands. To achieve national benefits that exceed Federal expenditures for fire protection on non-Federal wildlands. To cooperate, participate, and consult with the States on fire protection for non-Federal wildlands and other rural lands.

Program description

The fire protection program helps protect [illegible] million acres of non-Federal lands from wildfire.

States and their political subdivisions have the primary responsibility for fire protection. The fire protection program uses Forest Service technical and related assistance to assist the States in efficiently and adequately protecting non-Federal wildlands. Program objectives are achieved through leadership, coordination, and cooperation.

The fire protection program consists of:

Wildland fire protection. Providing Federal technical and related assistance in fire protection for non-Federal wildlands.

Federal excess personal property. Loaning Federal excess personal property to State foresters for rural fire protection purposes. Because of the shortage of some types of property in this program, an efficiency analysis is used to assign the property where the greatest potential gain can be expected.

Smokey Bear program. Continuing a nationwide fire prevention program through public service advertisements and educational programs.

Specific technical programs are:

Information. Collecting consistent historical and new data for planning and analysis, assessing accomplishments and opportunities for improved management, and conducting efficiency studies.

Analysis and planning. Helping States determine the efficient use of fire protection resources and steps for implementing and maintaining efficient levels of fire protection.

Technology development and transfer. Providing assistance for identifying and transferring new ideas and technologies between States and Federal agencies to improve fire protection efficiency.

Shared protection resources. Developing and maintaining fire protection resources to share among Federal, State, and local agencies for more cost-effective operations.

The combination of increased State funding and direct Federal financial and technical assistance to States under this program has been successful in significantly reducing the acres burned. The average annual acres burned for the last two decades has been about 2.8 million acres, compared with an annual average of some 3.3 million acres during the first decade of Federal participation in State fire protection programs.

The program emphasizes Forest Service participation in activities that result in the most efficient level of cooperative fire protection, with priorities on activities of national interest.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Fire protection	$	13,618	3,400	-10,218
	FTE	50	50	--

A decrease of $10,218,000 is proposed from the 1987 base. This will redefine Forest Service involvement with the States' fire protection program. Historically, the basic program was one of financial assistance to the States. This amounted to 5 percent of the total State fire expenditures nationwide; it varied from 1 percent in California to 50 percent in Illinois. Financial assistance is eliminated in FY 1987 and greater reliance is being placed on local units to fulfill their fire protection responsibilities for these wildlands.

The budget will limit the Federal role to providing technical assistance to States in:

- Completing basic State efficiency analysis, incorporating results into regional and national plans, and providing new technology in fire planning.

- Training in and implementing the National Interagency Incident Management System, a total systems approach that provides for an all-risk incident command.

- Providing for State participation with all Federal agencies in national wildland fire coordination, and participation as members of the National Wildfire Coordinating Group and national training courses.

- Transferring new firefighting technology for standardization, and coordinating shared resources between State and Federal agencies.

- Implementing wildland fire prevention programs, including the Smokey Bear program.

- Acquiring and managing Federal excess personal property for more efficient State wildland and rural community fire protection as determined through planning and analysis.

- Serving as the technical advisor to the Federal Emergency Management Agency in State fire emergencies.

Object class information

Other contractual services	-229
Grants, subsidies, and contributions	-9,989
Total	-10,218

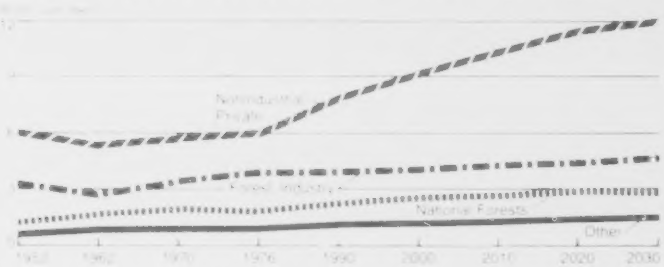
Forest Management and Utilization

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc. (+) or Dec. (-) from Base
			(Dollars in thousands)			
Forest resource management .... $	5,137	5,205	4,981	5,205	--	-5,205
Thousand acres	3,585	3,500	--	3,500	--	-3,500
FTE	59	58	--	58	--	-58
Wood utilization .... $	955	954	913	954	--	-954
Million cubic feet	72	19	--	19	--	-19
FTE	20	20	--	20	--	-20
Seedlings, nursery and tree improvement .... $	1,728	1,798	1,721	1,798	--	-1,798
Million seedlings	733	725	--	725	--	-725
FTE	10	10	--	10	--	-10
Urban forestry .... $	1,956	1,988	1,903	1,988	--	-1,988
FTE	9	9	--	9	--	-9
Management improvement ..... $	980	--	-- 1/	--	--	--
FTE	--	--	--	--	--	--
Total .... $	10,756	9,945	9,518	9,945	--	-9,945
FTE	98	97	--	97	--	-97

1/ In FY 1986, management improvement is funded from the benefiting programs of forest pest management, fire protection, and forest management and utilization.

General Private nonindustrial forest lands are a major source of U.S. wood supplies, providing 47 percent of roundwood supplies to the forest products industry. Timber output from nonindustrial private forest lands is projected to be the largest source of future U.S. wood supply. Cooperative Federal-State programs improve their productivity.

Roundwood Supplies by Ownership Class with Projections to 2030



Forest Resource Management

Objective To improve forest management. To protect soil and water resources on nonindustrial private forest lands.

Program description Cooperative technical assistance in forest management is provided by the Forest Service through State service foresters.

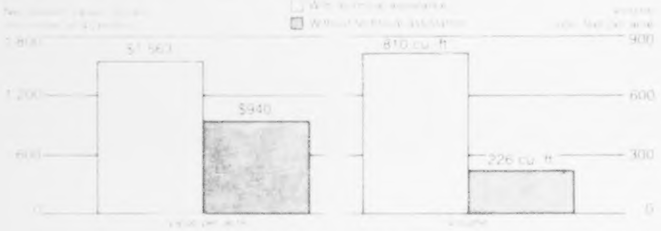
This assistance improves the likelihood of reforestation after harvesting, increases economic return to encourage private investment in forest management, enhances water quality, and ensures the value and quality of stocking of forest stands after harvest or cutting to improve timber stands.

A current example of cooperative technical assistance is the response to the Conservation Reserve section of the 1985 Farm Bill (P.L. 99-198). Working under the guidance of the Forest Service, the State service foresters will work with the Soil Conservation Service and the Agricultural Stabilization and Conservation Service to help landowners place their eroding cropland in the Conservation Reserve. The service foresters and contracted private consulting foresters will provide technical assistance to landowners to develop tree planting plans and will assure quality control during tree planting. Both the House and Senate reports on the 1985 Farm Bill (P.L. 99-198) direct USDA to make maximum use of private sector resources in implementing the Conservation Reserve, to the extent that is practical and cost effective.

Forest lands of owners who receive assistance are more valuable, contribute more to future timber supplies, have greater timber volume, and retain more value in residual stands after harvesting.

Improper harvesting and logging operations may reduce water quality and diminish the quality and value of residual forest stands after harvesting.

Economic Value of Technical Assistance Provided through Cooperative Forest Management Programs



Value and volume of nonindustrial private forest land

Source: [illegible] Patrick W. "The Economic Contribution of Cooperative Forest Management Programs." University of Georgia, 1984.

Technical assistance before harvesting prevents destructive logging which damages soil and water resources and leaves forest sites unproductive for many years.

Currently, 66 percent of harvested acres in the South remain unstocked or regenerate in low quality hardwoods. However, the probability of a landowner reforesting lands following harvest is 60 percent greater when a service forester is consulted.

Forest management assistance provided by service foresters is the most important factor influencing reforestation decisions by landowners, exceeding the influence of market variables, income, and size of ownership.

Technical assistance--service forester and landowner determining age of trees.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Forest resource management .... $	5,205	--	-5,205
FTE	58	--	-58

A decrease of $5,205,000 is proposed from the 1987 base. This discontinues funding for forest resource management.

States will continue these activities according to their overall priorities and budget constraints.

Object class information

Salaries and benefits	-2,477
Travel	-87
Grants, subsidies, and contributions	-2,641
Total	-5,205

Wood Utilization

Objective To increase the value and utilization of timber and wood products through improved harvesting, processing, and marketing.

Program description Technical assistance provided to loggers and processors by Federal and State specialists introduces new and existing technologies to improve the competitiveness of the forest products industry in the U.S., and to expand opportunities to increase exports and reduce imports. Assistance is also provided to State agencies for economic development of communities with potential forest industry growth.

Technical assistance, such as computer simulation of log breakdown in the sawmill, helps increase production from timber harvesting, lumber processing, and wood products manufacturing, thus reducing unit costs and generating greater returns to industry and the Government.

For example, with substantial help from the sawmill improvement program, sawmills today produce 2.4 billion more board feet from the same volume of logs produced 15 years ago--equivalent to doubling timber growth on 7 million acres of southern pine forest. Improved lumber recovery generates higher profits for industry and additional returns to the U.S. Treasury. If one-half of eligible firms undertake such improvements, tax payments to the U.S. Treasury would increase an estimated $22.8 million.

In FY 1986, emphasis is directed toward marketing assistance--expanding the range of markets for forest products to improve economic conditions. This provides the greatest potential for improving forest resources conditions. Specific activities will include:

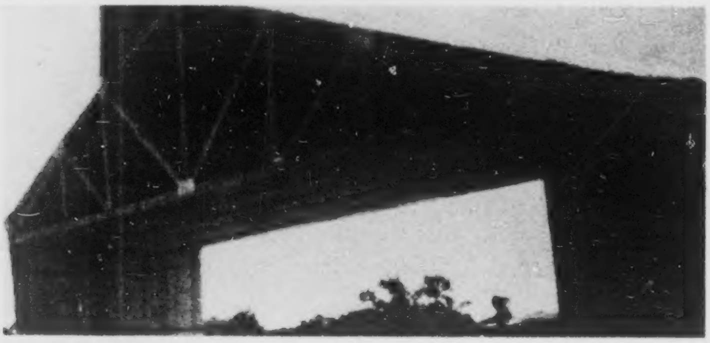
- Assisting clients pursuing international trade.

- Focusing on projects to illustrate new products or manufacturing processes.

- Coordinating regional marketing conferences and international trade missions.

- Conducting feasibility studies to evaluate forest products potential in varying markets.

Depending on regional need, assistance in the efficiency components of wood resource development--primary and secondary processing and better harvesting techniques--will also be provided.



Aspen structural lumber produced with new Saw-Dry-Rip technology. This was used for a Forest Service office building in New Mexico which incorporates the truss-framed system, another recent innovation developed by Forest Service research.

Improper harvesting is costly because it degrades the quality and volume of wood. On the average, operators lose about 6 percent of merchantable wood volume during harvesting because of poor or careless practices--equivalent to about 4.8 billion board feet (752 million cubic feet) of timber that is harvested annually but never used. Technical assistance substantially reduces this loss.

The Forest Service has developed a new computer program called UCHEK for timber sales administrators to better evaluate and improve recovery at logging operations and to increase operators' profits and Forest Service receipts. State and private forestry utilization specialists are training timber sales administrators to use the program.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Wood utilization	$	954	--	-954
	FTE	20	--	-20

A decrease of $954,000 is proposed from the 1987 base. This discontinues funding for wood utilization.

States will continue these activities according to their overall priorities and budget constraints. The Forest Service recommends that States expand their efforts to identify foreign market opportunities to offset increasing wood product trade imbalances.

Object class information

Salaries and benefits	-862
Grants, subsidies, and contributions	-92
Total	-954

Seedlings, Nursery and Tree Improvement

Objective To provide genetically improved tree seed and planting stock for reforestation, which protects soil and water resources and improves productivity.

Program description The cooperative Federal-State program is directed toward upgrading the quality of nursery operations and to producing trees with improved growth, form, and resistance to insects and disease.

The 88 State forest nurseries, developed with Federal and State funds, produce about 38 percent of total seedling production in the U.S. About 25 percent of the production from these nurseries is planted on industrial lands, 64 percent on nonindustrial private lands, and 11 percent on State, Federal, and other lands.

Southern pine seedlings in Georgia State nursery, Tifton, Georgia.

Meeting the forest industry's projected softwood timber demand requires doubling reforestation. Use of genetically improved planting stock results in faster growing trees and higher survival rates for seedlings to meet reforestation needs.

The demand for seedlings is expected to more than double during the next five years in response to the Conservation Reserve section of the 1985 Farm Bill (P.L. 99-198). Between 4 and 5 million acres of trees are expected to be planted on eroding cropland as part of the 40 to 45 million acre reserve. This will be an annual average of 1 million more acres of trees planted than the current 730 thousand acres of annual tree planting on private land. Technical assistance will be provided to State, private, and forest industry nurseries to assure that acceptable seedlings are produced and distributed where needed to accomplish the erosion reduction goals of this national program.

Increased yields of up to 20-30 percent are possible through second-generation genetic improvement in tree breeding. These productivity gains are permanent, and increase stand values by 30-50 percent due to faster growth and improved wood quality.

Twenty-five percent of the tree seedlings currently produced by State nurseries are superior to wild seedlings. Established seed orchards are beginning to produce seed and the percentage of improved seedlings available will increase substantially within the next few years.

Technical and financial assistance in tree improvement produces first generation seedlings that grow 15 percent faster with better quality wood.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Seedlings, nursery, and tree improvement .... $	1,798	--	-1,798
FTE	10	--	-10

A decrease of $1,798,000 is proposed from the 1987 base. This eliminates the Federal program for seedlings, nursery, and tree improvement.

To meet requirements of the Federal Conservation Reserve program, States will need to substantially increase their seedling and nursery programs. Success of the Conservation Reserve tree planting program will be dependent upon States to upgrade their seedling and nursery facilities. States vary in their practices of charging for seedlings. As private landowners start to participate in the Conservation Reserve, for which they receive Federal payments, more States are expected to operate their nurseries on a full cost recovery basis.

Object class information

Salaries and benefits	-426
Travel	-44
Grants, subsidies, and contributions	-1,328
Total	-1,798

Urban Forestry

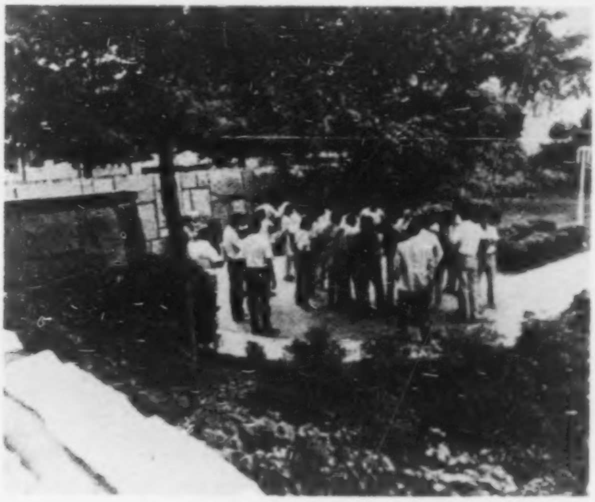
Objective

To maximize contribution of urban forests to improved soil, water, and air quality; energy production and conservation; and enhancement of community environment.

Program description

The urban forestry program provides technical assistance to State forestry agencies to encourage management of trees, forests, and associated natural resources in and near urban areas. Target audiences are planners, developers, builders, landscape architects, city foresters, citizen groups, tree service companies, forestry consultants, and homeowners. In FY 1985, over 4,900 of the Nation's nearly 8,800 communities of 2,000 or more people (56 percent) were assisted.

Five regional conferences on urban forestry with some 2,000 participants were held in FY 1985, focusing on regional issues and technology transfer of urban forestry programs. The Third National Urban Forestry Conference is scheduled for December 1986 in Orlando, Florida.



The urban forestry program provides technical assistance to help States manage urban trees and other natural resources in urban areas.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in Thousands)		
Urban forestry	$	1,988	---	-1,988
	FTE	8	---	-8

A decrease of $1,988,000 is proposed from the 1987 base. This eliminates the Federal program funding for urban and community forestry.

It is expected that States and cities will continue these activities according to their overall priorities and budget constraints.

Object class information

Salaries and benefits	-308
Travel	-67
Grants, subsidies, and contributions	-1,613
Total	-1,988

Special Projects

		1985 Actual	[illegible]	[illegible]	1987 [illegible]	1987 [illegible]	[illegible]
[illegible]	$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FTE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FTE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lake Tahoe (P.L. 96-586)	$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FTE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FTE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Total	$	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
	FTE	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

General [illegible]

Boundary Waters Canoe Area

Objective To provide technical and financial assistance to the State of Minnesota in implementing the Boundary Waters Canoe Area wilderness legislation.

Program description: The Boundary Waters Canoe Area project provides for an intensive forest management program on State, county, and private lands in Minnesota.

Under Section 6 of P.L. 95-495, intensive forest management activities are concentrated in the five northeastern Minnesota counties of Lake, Cook, St. Louis, Koochiching, and Carlton to help prevent reduction in the sustained yield of softwood timber.

In FY 1985, the State provided $[illegible] to cost-share with $[illegible] of Federal funds. Program accomplishments in FY 1985 and planned accomplishments in FY 1986 and FY 1987 are:

		FY 1985 (actual)	FY 1986 (planned)	FY 1987 (planned)
Reforestation	(acres)	[illegible]	[illegible]	[illegible]
Timber stand improvement	(acres)	[illegible]	[illegible]	[illegible]
Road maintenance and improvement	(miles)	[illegible]	[illegible]	[illegible]
Seedling production	(million seedlings)	[illegible]	[illegible]	[illegible]

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Boundary Waters Canoe Area	$ (FTE)	[illegible] ---	[illegible] ---	[illegible] ---

A decrease of $[illegible] is proposed from the 1987 base. This decrease will reduce funding to the State of Minnesota; however, it is expected that the State will continue the intensive forest management program at the current level. State participation is dependent upon its overall priorities and budget constraints.

Object class information

Grants, subsidies, and contributions	[illegible]
Total	[illegible]

Pinchot Institute for Conservation Studies

Objective To restore and manage the Grey Towers National Historic Landmark as a unique cultural and historic resource for interpreting the development of American forestry and natural resources conservation. To advance excellence in natural resource conservation and facilitate the use of the Institute and Grey Towers as a conference center and retreat site for conservation organizations and agencies. To provide a national focal point for urban forestry information and communications.

Program description The Pinchot Institute for Conservation Studies is a special unit of the Forest Service located at the Grey Towers National Historic Landmark in Milford, Pennsylvania. Grey Towers is a 102-acre, 19th century estate which was the home of Gifford Pinchot, pioneer conservationist, founder and first Chief of the Forest Service, and Governor of Pennsylvania.

In FY 1981, the "National Friends of Grey Towers" was organized as a national nonprofit, educational foundation to work with the Forest Service to expand use of the Grey Towers facilities.

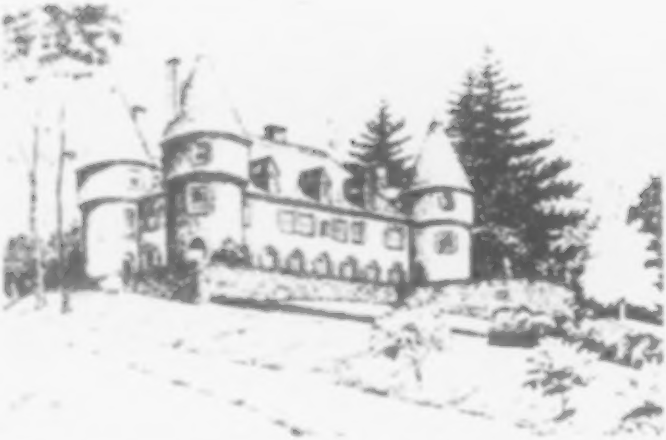
The accomplishments of this cooperative venture include:

— Initiating a user fee for visitors.

— Conducting the Pinchot-Yale University small seminar series on emerging resource issues.

— Assisting in coordination of conferences and lecture series on conservation.

A total of 13,500 people participated in programs at Grey Towers in FY 1985. Natural resource conservation and Pinchot's role in the conservation movement are the primary interpretive themes.



Artist's rendition of "Grey Towers," home of Gifford Pinchot, circa 1900, and site of the Pinchot Institute for Conservation Studies.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Pinchot Institute for Conservation Studies ... $	199	--	-199
FTE	8	--	-8

A decrease of $199,000 is proposed from the 1987 base which eliminates specific funding for the Pinchot Institute for Conservation Studies. Funding is proposed from benefiting appropriations within the Forest Service regular line item budget.

Although no tours will be conducted, the estate will be open to visitors during regular work hours with some groundkeeping provided.

Scheduled maintenance will not be provided. Programs in heritage awareness and environmental education will be discontinued.

The following table illustrates the comparison between FY 1986 and FY 1987 funding.

	1986	1987 Base	1987 Estimate
	(Dollars in thousands)		
Pinchot Institute for Conservation Studies	$199	$199	$ --
Contributions from benefiting appropriations:			
Forest Research	17	17	18
State and Private Forestry	18	18	18
National Forest System	251	251	249
Construction	7	7	7
Total	$492	$492	$292

Object class information

Salaries and benefits	-199
Total	-199

Lake Tahoe (P.L. 96-586)

Objective

To control water pollution and mitigate soil erosion on State and Federal lands within the Lake Tahoe Basin.

Program description

Based on amounts appropriated for land acquisition within the Lake Tahoe Basin, funds are provided to implement sections 2(g) and (h) of P.L. 96-586. The funds are for soil erosion activities and control of water pollution on State and Federal lands within the Lake Tahoe Basin. In FY 1985, these special project funds were targeted at State, county, and private lands.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Lake Tahoe	$	1,461	--	-1,461
	FTE	2	--	-2

A decrease of $1,461,000 is proposed from the 1987 base.

This will discontinue special funding for soil erosion activities and water pollution control efforts that are associated with lands acquired by the Federal Government within the Lake Tahoe Basin and grants to local jurisdictions.

Object class information

Salaries and benefits	-55
Grants, subsidies, and contributions	-1,406
Total	-1,461

Geographic Breakdown of Forest Service Funding for State and Private Forestry
FY 1985 - Actual
(Dollars in thousands)

	FPM	Fire	FM&U	Special Projects	Total
Alabama	$ 133	$ 278	$ 184	$ 0	$ 595
Alaska	0	192	50	0	242
Arizona	17	67	77	0	161
Arkansas	60	250	132	0	442
California	80	752	108	981	1,921
Colorado	473	276	110	0	859
Connecticut	0	54	21	0	75
Delaware	272	50	28	0	350
Florida	57	340	232	0	629
Georgia	101	324	218	0	643
Guam	7	50	48	0	105
Hawaii	18	70	53	0	141
Idaho	45	205	77	0	327
Illinois	0	106	83	0	189
Indiana	26	69	66	0	161
Iowa	18	56	26	0	100
Kansas	21	156	97	0	274
Kentucky	0	223	120	0	343
Louisiana	325	282	134	0	741
Maine	64	234	108	0	406
Maryland	619	150	85	0	854
Massachusetts	15	147	84	0	246
Michigan	63	285	107	0	455
Minnesota	56	214	76	2,935	3,281
Mississippi	106	289	167	0	562
Missouri	41	267	125	0	433
Montana	38	230	93	0	361
Nebraska	21	151	102	0	274
Nevada	22	122	49	477	670
New Hampshire	33	103	76	0	212
New Jersey	303	187	60	0	550
New Mexico	33	133	80	0	246
New York	0	265	93	0	358
North Carolina	80	306	286	0	672
North Dakota	16	61	67	0	141
Northern Marianas	4	0	20	0	24
Ohio	32	159	92	0	283
Oklahoma	28	154	89	0	271
Oregon	758	311	264	0	1,333
Pennsylvania	1,043	292	71	0	1,406
Puerto Rico	0	50	83	0	133
Rhode Island	106	52	21	0	179
South Carolina	69	292	138	0	499
South Dakota	18	212	79	0	309
Tennessee	52	261	145	0	458
Texas	419	242	165	0	826
Utah	0	111	104	0	215
Vermont	54	50	55	0	159
Virgin Islands	0	26	32	0	58
Virginia	75	292	246	0	613
Washington	61	310	209	0	580
West Virginia	158	166	98	0	422
Wisconsin	37	281	91	0	409
Wyoming	58	130	67	0	255
Washington, D.C.	0	0	28	0	28
Total, States	6,135	10,337	5,614	4,393	26,479
S&PF Administration	12,297	3,402	5,142	579	21,420
Special Projects	1,230	0	0	0	1,230
Suppression on Federal Lands	9,163	0	0	0	9,163
Total Program	$28,825	$ 13,739	$10,756	$ 4,972	$ 58,292

Geographic Breakdown of Forest Service Funding for State and Private Forestry FY 1986 - Estimate (Dollars in thousands)

	FPM	Fire	FM&U	Special Projects	Total
Alabama	$ 330	$ 269	$ 184	$ 0	$ 783
Alaska	0	186	50	0	236
Arizona	16	65	77	0	158
Arkansas	58	242	132	0	432
California	72	724	108	984	1,888
Colorado	119	267	110	0	496
Connecticut	0	52	21	0	73
Delaware	165	48	29	0	241
Florida	55	329	232	0	616
Georgia	218	313	218	0	749
Guam	0	48	48	0	96
Hawaii	16	68	53	0	137
Idaho	30	198	77	0	305
Illinois	25	102	83	0	210
Indiana	28	67	66	0	161
Iowa	19	54	26	0	99
Kansas	18	151	97	0	266
Kentucky	39	215	120	0	374
Louisiana	258	273	134	0	665
Maine	70	226	108	0	404
Maryland	623	145	85	0	853
Massachusetts	15	142	84	0	241
Michigan	256	275	107	0	638
Minnesota	54	207	76	2,982	3,319
Mississippi	160	279	167	0	606
Missouri	45	258	125	0	428
Montana	34	222	93	0	349
Nebraska	18	146	102	0	266
Nevada	17	118	49	477	661
New Hampshire	30	100	76	0	206
New Jersey	662	181	60	0	903
New Mexico	32	129	80	0	241
New York	57	256	93	0	406
North Carolina	77	296	286	0	659
North Dakota	16	61	62	0	139
Northern Marianas	0	0	20	0	20
Ohio	35	154	92	0	281
Oklahoma	27	149	89	0	265
Oregon	285	301	264	0	850
Pennsylvania	1,078	282	71	0	1,431
Puerto Rico	0	48	83	0	131
Rhode Island	1,726	50	21	0	1,797
South Carolina	217	282	138	0	637
South Dakota	17	205	79	0	301
Tennessee	49	252	145	0	446
Texas	485	234	165	0	884
Utah	0	107	104	0	211
Vermont	27	48	55	0	130
Virgin Islands	0	25	32	0	57
Virginia	176	282	246	0	704
Washington	55	300	209	0	564
West Virginia	343	160	98	0	601
Wisconsin	51	272	91	0	414
Wyoming	18	126	67	0	211
Washington, D.C.	0	0	28	0	28
Total, States	8,221	9,989	5,614	4,443	28,267
S&PF Administration	11,917	3,629	4,331	199	20,076
Special Projects	1,244	0	0	0	1,244
Suppression on Federal Lands	8,051	0	0	0	8,051
Total Program	$29,433	$ 13,618	$ 9,945	$ 4,642	$ 57,638

Geographic Breakdown of Forest Service Funding for State and Private Forestry
FY 1987 - Estimate
(Dollars in thousands)

	FPM	Fire	FM&U	Special Projects	Total
Alabama	$ 0	$ 0	$ 0	$ 0	$ 0
Alaska	0	0	0	0	0
Arizona	0	0	0	0	0
Arkansas	0	0	0	0	0
California	0	0	0	0	0
Colorado	0	0	0	0	0
Connecticut	0	0	0	0	0
Delaware	0	0	0	0	0
Florida	0	0	0	0	0
Georgia	0	0	0	0	0
Guam	0	0	0	0	0
Hawaii	0	0	0	0	0
Idaho	0	0	0	0	0
Illinois	0	0	0	0	0
Indiana	0	0	0	0	0
Iowa	0	0	0	0	0
Kansas	0	0	0	0	0
Kentucky	0	0	0	0	0
Louisiana	0	0	0	0	0
Maine	0	0	0	0	0
Maryland	0	0	0	0	0
Massachusetts	0	0	0	0	0
Michigan	0	0	0	0	0
Minnesota	0	0	0	2,800	2,800
Mississippi	0	0	0	0	0
Missouri	0	0	0	0	0
Montana	0	0	0	0	0
Nebraska	0	0	0	0	0
Nevada	0	0	0	0	0
New Hampshire	0	0	0	0	0
New Jersey	0	0	0	0	0
New Mexico	0	0	0	0	0
New York	0	0	0	0	0
North Carolina	0	0	0	0	0
North Dakota	0	0	0	0	0
Northern Marianas	0	0	0	0	0
Ohio	0	0	0	0	0
Oklahoma	0	0	0	0	0
Oregon	0	0	0	0	0
Pennsylvania	0	0	0	0	0
Puerto Rico	0	0	0	0	0
Rhode Island	0	0	0	0	0
South Carolina	0	0	0	0	0
South Dakota	0	0	0	0	0
Tennessee	0	0	0	0	0
Texas	0	0	0	0	0
Utah	0	0	0	0	0
Vermont	0	0	0	0	0
Virgin Islands	0	0	0	0	0
Virginia	0	0	0	0	0
Washington	0	0	0	0	0
West Virginia	0	0	0	0	0
Wisconsin	0	0	0	0	0
Wyoming	0	0	0	0	0
Washington, D.C.	0	0	0	0	0
Total, States	0	0	0	2,800	2,800
S&PF Administration	12,019	3,400	0	0	15,419
Special Projects	1,250	0	0	0	1,250
Suppression on Federal Lands	5,402	0	0	0	5,402
Total Program	$ 18,671	$ 3,400	$ 0	$ 2,800	$ 24,871

STATE AND PRIVATE FORESTRY

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-1105-0-1-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
	1. Forest pest management	31,312	29,227	12,660
	2. Fire protection	13,788	13,016	5,637
	3. Forest management and utilization	11,296	10,665	4,618
	4. Special projects	5,266	4,670	2,022
	Total direct program	61,362	57,578	24,937
	Reimbursable program	4,197	4,560	1,740
10.00	Total obligations	65,559	62,138	26,677
	Financing:			
	Offsetting collections from:			
11.00	Federal funds	[illegible]	-4,332	-1,653
14.00	Non-Federal sources	[illegible]	-228	-87
21.40	Unobligated balance available, start of year	[illegible]	-506	-566
24.40	Unobligated balance available, end of year	[illegible]	566	500
25.00	Unobligated balance lapsing	54	---	---
39.00	Budget authority	58,297	57,638	24,871
	Budget authority:			
40.0001	Appropriation	58,297	57,986	24,871
40.0002	Reduction pursuant to P.L. 99-177	---	-348	---
43.0001	Appropriation (adjusted)	58,297	57,638	24,871
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	61,362	57,578	24,937
72.40	Obligated balance, start of year	15,642	19,521	19,338
74.40	Obligated balance, end of year	-19,521	-19,338	-14,142
90.00	Outlays	57,483	57,761	30,133

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

	1985 actual	1986 est.	1987 est.
Enacted/requested:			
Budget authority	58,297	57,638	24,871
Outlays	57,483	57,761	30,133
Reduction pursuant to P.L. 99-177:			
Budget authority		-2,478	.....
Outlays		-2,151	-337
Total:			
Budget authority	58,297	55,160	24,871
Outlays	57,483	55,610	29,796

STATE AND PRIVATE FORESTRY

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-1105-0-1-302		1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	14,239	13,403	10,543
11.3	Other than full-time permanent	1,809	1,711	1,332
11.5	Other personnel compensation	545	512	404
11.8	Special personnel service payments	8	7	6
11.9	Total personnel compensation	16,601	15,633	12,285
	Personnel benefits:			
12.1	Civilian	2,150	2,025	1,591
13.0	Benefits for former personnel	79	74	58
21.0	Travel and transportation of persons	1,824	1,263	880
22.0	Transportation of things	255	177	123
23.1	Standard level user charges	1,096	1,179	988
23.2	Rental payments to others	45	31	22
23.3	Communications, utilities, and miscellaneous charges	813	563	392
24.0	Printing and reproduction	409	263	197
25.0	Other services	9,875	6,840	4,763
26.0	Supplies and materials	910	630	439
31.0	Equipment	684	474	330
32.0	Lands and structures	60	42	29
41.0	Grants, subsidies, and contributions	25,290	27,119	2,800
42.0	Insurance claims and indemnities	4	3	2
44.0	Refunds	78	54	38
99.0	Subtotal direct obligations	60,173	56,389	24,937
99.0	Reimbursable obligations	4,197	4,560	1,740
	ALLOCATION ACCOUNTS			
41.0	Grants, subsidies and contributions	1,189	1,189	---
99.9	Total obligations	65,559	62,138	26,677

Obligations are distributed as follows:	1985 actual	1986 est.	1987 est.
State and Private Forestry	64,370	60,949	26,677
National Park Service	219	219	---
Bureau of Land Management	265	265	---
U.S. Fish and Wildlife Service	70	70	---
Bureau of Indian Affairs	635	635	---
Total	65,559	62,138	26,677

STATE AND PRIVATE FORESTRY

PERSONNEL SUMMARY

Identification code: 12-1105-0-1-302	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	471	433	341
Total compensable workyears:			
Full-time equivalent employment	572	539	423
Full-time equivalent of overtime and holiday hours	21	20	16
Average ES salary	68,043	68,043	68,043
Average GS grade	11.79	11.79	11.79
Average GS salary	32,253	32,253	32,253
Average salary of ungraded positions	19,732	19,732	19,732
Reimbursable:			
Total number of full-time permanent positions	14	13	10
Total compensable workyears:			
Full-time equivalent employment	14	13	10
Full-time equivalent of overtime and holiday hours	---	---	---
Average ES salary	---	---	---
Average GS grade	12.98	12.98	12.98
Average GS salary	40,921	40,921	40,921
Average salary of ungraded positions	---	---	---

Forest
Service

National Forest System

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)						
Minerals area management	$	26,572	28,341	27,122	28,341	26,025	-2,316	-2,316
	FTE	643	663	--	663	634	-29	-29
Real estate management	$	20,836	20,844	19,948	20,844	19,845	-999	-999
	FTE	477	473	--	473	461	-12	-12
Land line location	$	29,090	28,586	27,357	28,586	23,011	-5,575	-5,575
	FTE	568	560	--	560	495	-65	-65
Maintenance of facilities	$	14,792	14,736	14,102	14,736	14,735	-1	-1
	FTE	297	296	--	296	296	--	--
Forest fire protection	$	156,591	158,240	151,436	158,240	147,225	-11,015	-11,015
	FTE	4,072	4,090	--	4,090	3,906	-184	-184
Fighting forest fires	$	82,227	994	951	994	1,000	+6	+6
	FTE	(660)	--	--	--	--	--	--
Cooperative law enforcement	$	7,212	6,959	6,660	6,959	2,450	-4,509	-4,509
	FTE	14	14	--	14	14	--	--
Forest road maintenance	$	65,406	64,647	61,867	64,647	49,270	-15,377	-15,377
	FTE	1,194	1,185	--	1,185	1,040	-145	-145
Forest trail maintenance	$	9,256	9,968	9,539	9,968	8,365	-1,603	-1,603
	FTE	272	296	--	296	266	-30	-30
Timber sales admin. and mgmt.	$	184,702	181,545	173,739	181,545	171,092	-10,453	-10,453
	FTE	5,478	5,300	--	5,300	5,135	-165	-165
Reforestation and stand improvement	$	87,259	99,420	95,145	99,420	27,948	-71,472	-71,472
	FTE	1,153	1,974	--	1,974	580	-1,394	-1,394

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction (Dollars	1987 Base thousands)	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
Recreation use	$	102,047	101,307	96,365	133,307	51,140	-82,167	-82,167
	FTE	2,603	2,625	---	2,625	[illegible]	-1,308	-1,308
Wildlife and fish habitat management ...	$	36,726	39,690	37,030	36,698	31,780	-4,918	-4,918
	FTE	838	887	---	887	813	-74	-74
Range management	$	26,170	29,060	26,953	28,060	27,828	-282	-282
	FTE	687	678	---	678	671	-7	-7
Soil, water, and air management	$	31,928	31,346	32,477	31,686	29,787	-1,899	-1,899
	FTE	680	675	---	678	641	-37	-37
General administration	$	250,848	262,118	250,947	262,114	256,996	-5,118	-5,118
	FTE	5,722	5,472	---	5,472	5,358	-114	-114
Subtotal	$	1,111,540	1,076,302[1]	1,031,938[2]	1,076,302	889,489	-186,813	-186,813
	FTE	24,698	25,195	---	25,195	21,627	-3,568	-3,568
FS/BLM interchange ..	$	---	---	---	---	5,000	+5,000	+5,000
	FTE	---	---	---	---	---	---	---
Total, NFS	$	1,111,540	1,076,302[1]	1,031,938[2]	1,076,302	894,489	-181,813	-181,813
	FTE	24,698	25,195	---	25,195	21,627	-3,568	-3,568

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[1] Includes $30,000,000 in FY 1986 appropriation transferred from Reforestation Trust Fund (P.L. 96-451) and merged with this appropriation.

[2] Includes a total decrease of $44,377,000 of budget authority for the appropriated portion and $1,290,000 in planned obligations. The planned obligations decrease because the $30,000,000 transferred from Reforestation Trust Fund is not sequestrable, in accordance with Section 256 (a)(1) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

Appropriation Summary Statement

This appropriation provides the funds for the protection, management, and utilization of about one-third of all Federal land in the United States--191 million acres of the National Forest System (NFS) located in 44 States, Puerto Rico, and the Virgin Islands. The National Forest System is a national resource which generates over $1 billion in receipts and continues to have major environmental and social value for millions of Americans. A significant portion of the receipts for goods and services from these lands is returned under current laws to the States for distribution to counties (around $[illegible] million in FY [illegible]).

The following examples typify the importance of NFS lands to the welfare of the American people:

1. Wood products. About [illegible] percent of the Nation's annual softwood sawtimber harvest comes from NFS lands. A continuous supply of softwood sawtimber is essential to produce the lumber and plywood needed to build homes and other construction, as well as other wood products. NFS lands contain over [illegible] percent of the Nation's standing softwood sawtimber inventory; thus they play a vital role in meeting the Nation's wood product needs in the upcoming decades. Enough wood is sold from NFS lands to build over one million homes annually. This is well within the capacity of the National Forests to produce timber on a sustained yield basis in an environmentally sound manner. Reforestation and timber stand improvement activities are carried out to ensure the maintenance of a high level of productivity.

2. Coal, oil, gas, and other minerals. About one-fourth of the Nation's potential domestic energy resources are in (or under) NFS lands. These include about [illegible] billion tons of coal ([illegible] billion of which have potential to be surface mined) in the National Forests in Montana, Utah, and Wyoming. Coal production from NFS lands during FY [illegible] was estimated at [illegible] million tons. Coal production levels will increase significantly within the next few years as existing mines increase production and new areas start producing.

An estimated [illegible] million acres of NFS lands are under lease for oil, gas, geothermal, and other minerals. Mineral activity on National Forests and National Grasslands generated receipts of over $[illegible] million from rents, royalties, sales, and bonus bids in FY [illegible] (including receipts deposited directly to the Department of Interior). This total includes $[illegible] million that resulted from adjusted windfall profit payments for previous years. The Forest Service responsibility is to encourage exploration and development of mineral resources in cooperation with Department of the Interior agencies with consideration for other resource values.

Nearly [illegible] operating plans and lease applications were processed or administered in FY [illegible].

3. Outdoor recreation. The National Forest System is "America's Playground." Its vast areas [illegible] provide about [illegible] percent of all recreation use of Federal lands. In FY [illegible], the use of the Forests for recreation amounted to approximately [illegible] million visitor days. This is equal to each American spending [illegible] hours on the National Forest System.

[illegible]

[illegible]

[illegible]

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[illegible]

[illegible]

. Rights-of-way acquisition. Each year, the National Forest System acquires about 1,000 miles of rights-of-way for access to Federal land. Most of the cases are settled through negotiation. Condemnation procedures are rarely needed.

[illegible]

[illegible]

[illegible]

[illegible]

The Forest Service [illegible]

Authorities:

The Act of June 4, 1897, Organic Administration Act of 1897, as amended (16 U.S.C. 473-478, 479-482, 551). Section 24.
Administrative, protection, and management of the National Forests
(05-96) 12-1106 302 SAGR HAGR
Such sums as appropriated; no expiration date.

P.L. 68-575, The Act of March 3, 1925, as amended (16 U.S.C. 555). Section 1.
Purchase of land and acceptance of donations of land.
Such sums as necessary, not to exceed $50,000 per fiscal year; no expiration date.

P.L. 75-210, Title III, The Bankhead-Jones Farm Tenant Act of July 22, 1937, as amended (7 U.S.C. 1010, 1011). Sections 31 and 32.
Land acquisition, exchange, and authorities to correct maladjustments for land utilization purposes.
Such sums as necessary; no expiration date.

P.L. 78-412, Department of Agriculture Organic Act of September 21, 1944 (7 U.S.C. 2250). Section 703.
Erect, alter, and repair buildings necessary to carry out authorized work.
Section 702 (16 U.S.C. 579(a)).
Procure and provide aerial operations and facilities, including equipment and structures.

P.L. 81-348, Act of October 11, 1949 (Anderson-Mansfield Reforestation and Revegetation Act) (16 U.S.C. 581j). Sections 1 and 2.
Reforestation and range revegetation.
(05-96) 12-1106 302 SAGR HAGR
Such sums as needed; no expiration date.

P.L. 84-979, The Act of August 3, 1956 (7 U.S.C. 428a). Section 1.
Land or interests in land by purchase, exchange, or otherwise.
Such sums specified by annual appropriation; no expiration date.

P.L. 88-657, Act of October 13, 1964, National Forest Roads and Trails Systems Act (16 U.S.C. 532-538). Sections 1-7.
Construction and maintenance of forest roads and trails.
(05-96) 12-1106 302 [illegible]
Such sums as appropriated; no expiration date.

P.L. [illegible], The Act of August 8, 1962 (7 U.S.C. 2250a). Section 1.
Erection and leasing of buildings, structures, and land from non-Federal sources.
Such sums as appropriated; no expiration date.

P.L. 90-543, National Trails System Act, as amended by P.L. 98-11 (16 U.S.C. 1241 et seq.). Section 11.
Construction and maintenance of trails. Assistance to volunteer organizations.
Such sums as appropriated; no expiration date.

P.L. 95-514, Public Rangelands Improvement Act of 1978 (43 U.S.C. 1901-1908). Section 5.
Rangeland improvement, including range weed control.
Such sums as appropriated; no expiration date.

P.L. 92-421, Act of September 18, 1972, Supplemental National Forest Reforestation Fund Act (16 U.S.C. 576c-e).
Reforestation and revegetation of National Forest System lands.
Authorization: Section 1; $65,000,000 annually.
Expires September 30, 1987.

P.L. 93-378, Forest and Rangeland Renewable Resources Planning Act, Augutt 17, 1974, as amended (16 U.S.C. 1601 note). Sections 2-5.
Forest resources planning and evaluation.
(05-96) 12-1106 302 SAGR HAGR
Such sums as appropriated; no expiration date.

P.L. 94-588, National Forest Menagement Act of 1976, October 22, 1976 (16 U.S.C. 472(a-i) & 1601)). Sections 1-14.
Amends Forest and Rangeland Renewable Resources Planning Act of 1974.
(05-96) 12-1106 302 SAGR HAGR
Such sums as appropriated; no expiration date.
Reforestation - $200,000 annually (16 U.S.C. 1601(d)(3)).

P.L. 95-495, Act of October 21, 1978 (92 Stat. 1649). Sections 5(d), 6(c)(1-2), 6(d)(1-2), 11(f), 18(e), and 19.
Establishes the Boundary Waters Canoe Area Wilderness and Boundary Waters Canoe Area Mining Protection Area.
Authorization: Section 6(d)(1) $8,000,000 for resource management on the Superior National Forest.
Sections 5(d), 11(f), and 18(e)--such sums as necessary.
Section 6(d)(1) expires at end of FY 1990.

P.L. 96-586, Act of December 23, 1980.
Land acquisitions in the Lake Tahoe Basin. Section 2(h).
Prevent, control, and mitigate water pollution, and manage National Forest System lands acquired within the Lake Tahoe Basin.
(05-96) 12-1106 SENR HIIA

Authorization is 5 percent of the Land and Water Conservation Fund appropriation for Lake Tahoe Basin land acquisitions each year. Expires when all Clark County, Nevada, land specified in the Act is sold by the U.S. Department of Interior, Bureau of Land Management.

P.L. 97-465, Act of January 12, 1983 (16 U.S.C. 521c).
To authorize the conveyance of lands and other purposes.
Land exchange and sales.
(05-96) 12-1106 SENR HAGR
Such sums as necessary, no expiration date.

P.L. 98-478, Act of October 16, 1984, Federal Timber Contract Payment Modification Act (16 U.S.C. 619).
Allow buy-out of timber contracts, waive special-use fees for non-profit permittees, and redetermine Alaska contract rates.
(05-96) 12-1106 302 SENR HAGR
Authorization: Such sums as necessary; no expiration date.

Minerals Area Management

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
Leasable minerals	$	12,506	14,046	13,442	14,046	13,056	-990
	FTE	235	258	--	258	249	-9
Locatable minerals	$	9,390	9,560	9,149	9,560	8,819	-741
	FTE	300	306	--	306	294	-12
Common variety minerals ...	$	2,918	2,251	2,154	2,251	2,708	+457
	FTE	76	59	--	59	65	+6
Geology	$	1,758	2,484	2,377	2,484	1,442	-1,042
	FTE	32	40	--	40	26	-14
Total	$	26,572	28,341	27,122	28,341	26,025	-2,316
	Cases	28,488	23,998	--	23,998	23,480	-518
	FTE	643	663	--	663	634	-29

General

Satisfying the Nation's need for raw materials to support economic growth depends on domestic mineral and fuel production from private and Federal lands. Private industry responds to these production needs and, where National Forest System (NFS) lands are involved, the Forest Service guides and facilitates this activity.

Federal mineral and energy resources are categorized as leasable and locatable minerals, and as common varieties of mineral materials. Depending on the category, the Forest Service evaluates applications or proposals by industry to explore and develop energy and mineral resources on NFS lands. Based on these evaluations, and in cooperation with the Department of the Interior (which has the primary responsibility for managing mineral and energy resources on Federal lands), the Forest Service develops procedures and requirements for minerals activities in coordination with other resource values and uses.

The Forest Service's minerals program also issues and administers special-use permits (e.g., roads and pipelines) for uses which are part of mineral development projects on NFS lands.

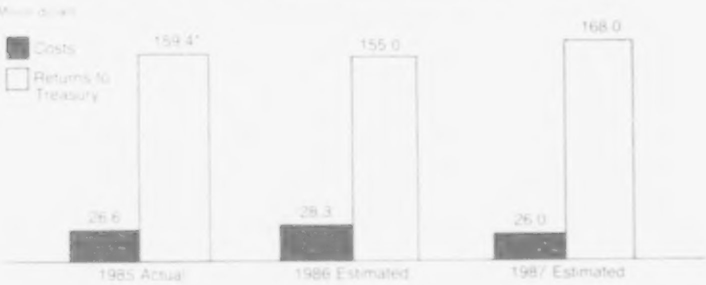
In the Department of the Interior, the Bureau of Land Management, Bureau of Mines, Office of Surface Mining, and Geological Survey cooperate in this program. A June 1984 agreement between the Forest Service and Bureau of Land Management streamlined pre-leasing preparation of National Environmental Policy Act documents and improved consistency in applying mineral lease stipulations, resulting in increased efficiency in processing minerals leasing proposals.

The proposed level of funding provides for processing and administering 23,480 mineral cases. However, the number of new mineral cases in a given year is a function of many factors, including mineral prices, overall economic conditions, and industrial activity. The uncertainties associated with predicting these factors make it difficult to estimate future caseloads accurately.

The FY 1985 ending inventory was 3,533 unprocessed cases. As of November 1985, this inventory included 1,215 unprocessed cases in areas where the Forest Service is precluded from taking action. These include areas being considered for wilderness, which have been restricted under appropriation acts since FY 1983, or areas for which wilderness studies are not yet complete. At the proposed FY 1987 level of funding, the inventory is expected to be 5,000 to 7,000 unprocessed cases.

Returns to the U.S. Treasury from mineral and energy rents, royalties, sales, and bonus bids on NFS lands exceed 500 percent of the minerals and geology program costs each year.

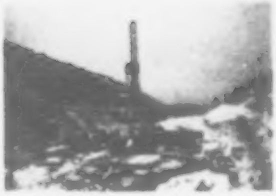
Minerals and Geology Program Costs and Returns to the Treasury



*Includes a $13 million adjustment related to windfall profit tax adjustments for prior years.

Geologic information is used to support many Forest Service programs and specific activities, including land and resource management planning, timber-sale layout and road construction, mined-land reclamation, watershed management and protection, recreation development, and other facilities construction. The geology program also provides information for the assessment of mineral resources and for evaluating, managing, and protecting ground water resources and underground spaces on NFS lands.

Hardrock mining in northern Idaho.



Wildcat well-site in rough mountainous terrain.

Surface mining and ancillary facilities on National Grasslands.

Leasable Minerals

Objective

To make available the leasable energy and mineral resources from National Forest System lands. To work with the Bureau of Land Management and the Office of Surface Mining to administer the associated exploration, development, production, and reclamation with consideration for multiple use resource values.

Program description

Leasable minerals include energy resources (oil and gas, geothermal, coal) and other minerals (phosphate, sodium, potassium), both acquired and public domain, and acquired hardrock minerals (lead, silver, etc.). The leasable minerals program involves:

- Ensuring that mineral exploration, development, production, and reclamation activities comply with applicable laws and regulations.

- Acting on lease applications and forwarding recommendations/consent to the Bureau of Land Management with stipulations for protecting surface resources.

- Determining terms and conditions to be included in operating plans forwarded to and approved by the Bureau of Land Management.

- Ensuring protection of surface resources.

- Monitoring activities for compliance with approved operating plan requirements.

- Administering special-use permits associated with leasable minerals.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Leasable minerals ...	$	14,046	13,056	-990
	FTE	258	249	-9

A decrease of $990,000 is proposed from the 1987 base.

The FY 1987 program will accomplish the projected work activities, provide resource coordination, and protect surface resources. The caseload for FY 1987 is expected to be 13,116 cases, 293 fewer cases than the planned accomplishment of 13,409 cases in FY 1986.

Object class information

Salaries and benefits	-290
Travel	-108
Rent, communications, and utilities	-166
Supplies, materials, and equipment	-183
Other contractual services	-243
Total	-990

Locatable Minerals

Objective

To provide access to locatable minerals to enhance the industrial and economic strength of the United States. To encourage industry proposals for mineral development on public domain lands in the NFS. To develop reasonable and effective measures to protect surface resources and values.

Program description

Locatable minerals are hardrock minerals (gold, silver, lead, zinc, etc.) occurring in the public domain and disposed of by the Federal Government under the U.S. Mining Law of 1872. Anyone may file a claim for the mineral located and obtain necessary operating approvals for development and mining. The locatable minerals program involves:

- Complying with the U.S. Mining Law of 1872 and applicable regulations.
- Ensuring protection of surface resources.
- Processing operating plans.
- Monitoring mining activities for compliance with approved operating plan requirements.
- Examining validity of mining claims.
- Administering special-use permits associated with operations on mining claims.

Before Reclamation

After Reclamation

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Locatable minerals ..... $	9,560	8,819	-741
FTE	306	294	-12

A decrease of $741,000 is proposed from the 1987 base.

The FY 1987 program will provide for processing and administering an estimated 6,841 locatable mineral cases, 245 fewer cases than the planned accomplishment of 7,086 in FY 1986, and represents a lower level of activity.

The proposed program will facilitate the search for and production of locatable minerals, including many precious metals and minerals of strategic importance to the United States.

The FY 1987 program provides for resource coordination and protection of surface resources.

Object class information

Salaries and benefits	-387
Travel	-73
Rent, communications, and utilities	-84
Supplies, materials, and equipment	-75
Other contractual services	-122
Total	-741

Common Variety Minerals

Objective To determine the availability of mineral materials. To provide for their extraction and use consistent with sound land and resource management practices.

Program description Mineral materials include common varieties of gravel, sand, stone, and materials used in the construction of highways and other facilities. These minerals on NFS lands are sold outright, granted free of charge to qualified users, or used to build and maintain Forest Service road systems and other facilities. The mineral materials program involves:

- Complying with laws and regulations.
- Administering sales and free-use disposals.
- Inventorying the mineral materials resource for in-Service use.
- Conducting appraisals.
- Developing and processing operating plans.
- Protecting surface resources.
- Monitoring operations, including reclamation.
- Administering special-use permits associated with disposal of mineral materials.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in Thousands)		
Common variety minerals	$	2,251	2,708	+457
	FTE	59	65	+6

An increase of $457,000 is proposed from the FY 1987 base.

The FY 1987 program will provide for the activities associated with management of mineral materials, including common varieties of gravel, sand, and stone. These activities include resource inventories and appraisals, disposal administration, operating plan processing and review, resource coordination, and protection of surface resources.

An estimated [illegible] cases will be processed in FY 1987, an increase of [illegible] cases over the planned accomplishment of [illegible] cases in FY 1986. The activity level anticipated is about the same, but the costs per case are higher. The increase in unit costs is consistent with an emphasis to improve management of this resource, emphasize adherence to health and safety standards, and acknowledge the importance of resource planning and operations safety.

Object class information

Salaries and benefits	[illegible]
Travel	[illegible]
Rent, communications, and utilities	[illegible]
Supplies, materials, and equipment	[illegible]
Other contractual services	[illegible]
Total	+457

Geology Program

Objective

To identify and evaluate geologic conditions and hazards that affect the safety and cost effectiveness of Forest Service activities. To provide and interpret geologic and minerals resource information for land management planning, environmental protection, mined-land reclamation, and other agency or State cooperative management programs.

Program description

This program provides geologic information and support services for all Forest Service land and resource management activities. These services include:

Providing geologic support personnel to gather, interpret, and present information about geologic conditions and mineral resources for resource evaluation and land management planning.

Gathering, interpreting, and reporting geologic factors that affect the design, construction, and maintenance of Forest Service facilities. This includes such work as landslide investigations, foundation studies, and investigations to locate construction materials.

Gathering and interpreting geologic information needed to develop and protect such resources as ground water, underground spaces, and minerals.

Decrease for 1987

		1986 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Geology	$	[illegible]	[illegible]	[illegible]
	(FTE)	[illegible]	[illegible]	[illegible]

A decrease of $[illegible] is proposed from the FY 1986 base.

The FY 1987 program of $[illegible] will facilitate completion of necessary geological work activities and enable the Forest Service to conduct high-quality, technical geological evaluations. These are done to assess geologic conditions with relatively high risk to the safety, efficiency, and economy of engineering projects. The assessments include landslide stability studies, subsurface investigations of soil and water, and mineral surveys. These assessments are essential for the protection of surface resources during the development of minerals and engineering projects.

The decrease in the program compared to FY 1986 is consistent with lower activity levels in [illegible] served by this program and some deferral of field work in [illegible] situations.

Object class information

Salaries and benefits	[illegible]
Travel	[illegible]
Rent, communications, and utilities	[illegible]
Supplies, materials, and equipment	[illegible]
Other contractual services	[illegible]
Total	[illegible]

Real Estate Management

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with SCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) From Base
				(Dollars in thousands)			
Land exchange and adjustment	$	6,522	5,427	5,194	5,427	5,102	-325
	FTE	147	133	---	133	129	-4
Land classification, status, and planning	$	1,374	2,169	2,076	2,169	1,637	-532
	FTE	24	30	---	30	26	-4
Special uses	$	7,339	7,495	7,174	7,495	7,353	-142
	FTE	155	155	---	155	153	-2
Geometronics	$	5,651	5,769	5,522	5,769	5,769	---
	FTE	151	155	---	155	155	---
Total	$	20,886	20,860	19,966	20,860	19,861	-999
	FTE	477	473	---	473	463	-10

General

This program provides for efficient real estate management of National Forest System (NFS) lands while protecting the resources and securing compliance with applicable air and water quality standards. Activities include land exchange and adjustment, land classification and status, title claims, landownership planning, special uses, and geometronics or base series mapping.

Land Exchange and [illegible]

Objective

[illegible]

Program Description

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

Land Classification, Status, Title Claims, and Planning

Objective

To plan adjustments of landownership for efficient resource management. To maintain landownership title records to ensure proper administration of lands subject to reservations, outstanding rights, mineral withdrawals, other conditions of title, and laws that direct or affect land management. To provide an automated retrieval system of land title information. To resolve title disputes.

Program description

Of the 191 million acres of NFS land, 28 million acres were acquired and 163 million acres were reserved from the public domain. These lands, assembled over many years, consist of thousands of individual tracts, each having an individual ownership title file. This record of ownership information must be actively maintained in order to guide resource management as to title restrictions, reservations, other conditions of title, and legislative direction in over 500 laws that affect management of NFS land.

Accurate, current ownership records must be readily available for resource management. Precise records are essential for such situations as the conveyance of approximately 2 million acres of NFS lands in Alaska to other public and private ownerships, involving hundreds of individual tracts. By 1990, private ownership of millions of acres of reserved mineral rights will expire and ownership will pass to the United States.

Over 50,000 title claim cases have resulted from overlapping ownerships between Federal lands and the 39 million acres of non-Federal lands within the NFS boundaries. In FY 1985, 198 cases were resolved using the Small Tracts Act authority. About 18,000 acres are involved in claims arising from the early 1900s homesteading activities. Unresolved title claim cases are increasing at a rate of about 500 cases per year.

Resolution of title claims protects the capital investment in NFS lands. Planning for landownership adjustments in areas with intermingled ownership on scattered land units results in more efficient management.

Each year, the Forest Service in a joint effort with the Bureau of Land Management reviews 20 percent of the 2,165,000 acres of NFS lands withdrawn from mineral entry. This project revokes unnecessary or obsolete withdrawal orders, as mandated by the Federal Land Policy and Management Act of 1976 (P.L. 94-579), and will be completed in 1989.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Land classification, status, and planning ...	$	2,169	1,637	-532
	FTE	34	28	-6

A decrease of $532,000 is proposed from the 1987 base. The FY 1987 program will allow completion of 733 title claim cases, compared to 4,295 cases in FY 1986.

This program also will allow mineral withdrawal reviews on 1,208 sites and resolution of 17 encroachment and title claim cases in litigation (resolution in the courts of disputes over title, usually involving Indian claims, innocent encroachments, and willful trespass cases on NFS lands), including some through use of the Small Tracts Act (P.L. 97-465) authority.

Land status records will be maintained. At this level of funding, minor delays should be expected for those projects requiring land status information.

Object class information

Salaries and benefits	-191
Travel	-38
Rent, communications, and utilities	-72
Supplies, materials, and equipment	-89
Other contractual services	-142
Total	-532

Special Uses (Nonrecreational)

Objective

To authorize the use of NFS lands by Federal, State, and local agencies; private industry, including utilities; and individuals. To facilitate the development of hydroelectric power on NFS lands by developing mandatory terms and conditions for licensing projects.

Program description

The workload for the program depends on the number of external applications received for use of NFS lands. (Authorizations for use are in 13 specific Acts of Congress listed in 36 C.F.R. 251.53.) Processing of applications involves preparation of environmental reports, field examination of proposed sites, draft of appropriate permit terms and conditions, and determination of fees to be charged. Easements are issued for such uses as utility and road rights-of-way.

Once a permit or easement is issued, inspection and monitoring ensure its terms are met. Periodic evaluations are required to ensure fees are appropriate.

Approximately $4.5 million was collected in land use fees in FY 1985. About 50,000 nonrecreational use permits are in force, over 10,000 of which are for utility rights-of-way.

In FY 1987, 5,600 applications are expected, most of which will be energy related. Processing and administering special-use applications for mineral activities have been funded under the minerals program since FY 1983.

A major workload is the processing of hydroelectric development proposals in the National Forests. These proposals require extensive analysis and impact review, including coordination with the developer and with Federal, State, and local agencies. As a result of a 1984 Supreme Court decision, the Forest Service is now required to develop mandatory terms and conditions for project licensing. The review of hydroelectric development proposals and administration of licensed projects will be funded from benefiting funds and activities.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Special uses .... $	7,499	7,357	-142
FTE	205	203	-2

A decrease of $142,000 is proposed from the 1987 base.

The FY 1987 program will allow for the administration of 29,020 permits. The remaining 20,980 permits includes those that require a minimal degree of administration, including cases having little or no environmental, public health, or safety impacts.

Approximately 4,000 of the expected 5,600 special use applications will be processed. Costs will be augmented by collection agreements with applicants and permit holders to provide support for processing applications and monitoring of construction.

Fees will be reviewed and adjusted to market value on approximately 2,100 permits (fee reviews are scheduled every 5 years), with emphasis on the most cost-effective reviews. Fees established in FY 1982 and earlier for about 24,000 permits will be continued.

Emphasis on establishing fee schedules for broader geographical areas, to streamline the process for fee reviews, will continue. This should result in increased efficiency and more uniformity in fees charged for similar uses.

Object class information

Salaries and benefits	-62
Rent, communications, and utilities	-21
Supplies, materials, and equipment	-17
Travel	-9
Other contractual services	-33
Total	-142

Geometronics

Objective To provide essential maps and related products.

Program description The geometronics program produces base series maps to support resource management needs. There are two standard base series map products--primary and secondary. Revision schedules for both series vary from 7 to 10 years.

Primary base series maps are 7½ minute quadrangle maps at 1:24,000 scale (2.64" = 1 mile). These are the principal work maps for field personnel and the base for inventory and display of resource and other thematic information.

Secondary base series maps are 1:126,720 scale (½" = 1 mile), constructed to cover entire forests or major divisions of a forest. The main use of this series is for sales to forest visitors under a national map sales program.

The Forest Service's mapping program exists to support NFS management. As such, the program is functional and directed at displaying resources, facilities, and management data on existing standard cartographic bases.

Map production has been centralized at the Geometronics Service Center (GSC) in Salt Lake City, Utah, to produce the thematic layers required by all disciplines (such as transportation systems, land status, and administrative sites).

Regional field units provide support in aerial photography, field edit, and publication. They produce special resource thematic maps according to local staff needs.

The program also includes developmental work to increase efficiency in the mapping process. Examples include:

- Software development to incorporate automated mapping procedures into the base series program and to generate special purpose maps from standard data sets.

- Development of a data base to catalog GSC generated data for agency use.

- Software development to utilize other agency digital data to support the mapping program.

- Development of an automated digitizing system to collect digital terrain data to support the orthophoto program.

The Forest Service cooperates with other Federal agencies in various mapping and charting activities. The Federal Interagency Coordinating Committee on Digital Cartography is charged with coordinating digital cartographic activities within Federal agencies to avoid duplication and waste. The objective is to develop and adopt, for use by all Federal agencies, common standards of content, format, and accuracy for digital cartographic base data to increase their interchangeability and potential for future use.

Current cooperative efforts include:

- Base series mapping program. The Forest Service uses Geological Survey 7½ minute quadrangles for a more current map base to display thematic information. FY 1986 cost-share is approximately $209,000 for the Geological Survey to revise 209 quadrangles.

National high altitude photography program. The Forest Service has been active in this program since it began in FY 1979. FY 1986 contribution to this program is $350,000. The program provides coverage of NFS lands on a 6-year cycle. This photography is a valuable tool for photointerpretation of resource information, revision of base series maps, and generation of orthophotos for displaying thematic information. (Orthophotos, rectified to remove scale distortions, show correct distances.)

- Digital elevation model (DEM) program. The Forest Service has adopted the DEM as its standard digital terrain file. Since this is a Geological Survey standard file, it allows for the exchange of DEM data through an interagency agreement. The agreement will reduce the cost of completing DEM coverage over NFS lands by 35 percent. Approximately 200 quadrangles will be exchanged in FY 1986, the initial year of the agreement. An annual exchange of 700 quadrangles of DEM data is proposed for FY 1987 and subsequent years.

No change
from 1986

Land Line Location

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc. (+) or Dec. (-) from Base
Land line location	$	29,090	28,586	27,357	28,586	23,011	-5,575
	Miles	5,945	4,623	--	4,623	3,955	-668
	FTE	568	560	--	560	495	-65

(Dollars in thousands)

Objective

To locate, mark, and post property lines between National Forest System (NFS) land and other property before instituting resource management activities.

Program description

The proper location of Forest Service property lines is a prerequisite to construction and resource management activities adjacent to property owned by others. The land line location program identifies these legal property boundaries.

Where property boundaries are not identified, resource management activities cannot proceed; for example, a timber sale cannot proceed because of the risk of cutting non-Federal timber. Encroachment by private landowners adjacent to NFS lands occurs at a rate in excess of two cases per mile where property lines have not been marked.

The program has three primary activities: initial location, marking, and posting of boundary lines; reestablishment of boundaries lost in the absence of land line maintenance; and periodic land line maintenance.

In a limited number of cases where costs of needed land line location surveys would exceed the purchase costs of specified inholding tracts, the Chief of the Forest Service or a delegated representative may approve the purchase, from willing sellers, of such inholdings with funds from the land line program. Boundaries reduced through such acquisitions are counted as though surveyed.

Some surveys of NFS lands are done by the Bureau of Land Management (BLM) and financed by the Forest Service. Funds are reimbursed to BLM under an interagency agreement for its survey costs, which averaged over $1.5 million annually for the past few years.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Land line location .... $	28,586	23,011	-5,575
FTE	560	495	-65

A decrease of $5,575,000 is proposed from the 1987 base. This program will allow the accomplishment of 3,955 miles of land line location, 668 miles fewer than the 4,623 miles in FY 1986.

The proposed funding level of $23,011,000 is necessary to support a timber sale program of 10 billion board feet, including 2.6 billion board feet of reoffer timber in FY 1987, and to provide the support necessary to other resource programs. In FY 1987, 2,795 miles of the land line location program will be in support of the timber sales program. The remaining 1,160 miles will be in support of minerals, recreation, and other resource programs.

Emphasis will be given to establishing boundaries in rougn and remote terrain or areas where deterioration remains. Boundaries involving fraudulent surveys and trespass cases will also be surveyed.

Object class information

Salaries and benefits	-1,621
Travel	-203
Transportation of things	-59
Rent, communications, and utilities	-231
Supplies, materials, and equipment	-671
Land and structures	-49
Other contractual services	-2,741
Total	-5,575

Maintenance of Facilities

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)					
Maintenance of facilities	$	14,792	14,736	14,102	14,736	14,735	-1
	FTE	297	296	--	296	296	--

Objective

To maintain and make minor improvements in facilities used for fire and general administrative purposes.

Program description

Fire and general administrative facilities support National Forest System (NFS) activities. Facility types include administrative sites, offices, service and storage buildings, and associated water, sanitation, and electrical systems. This program also maintains airports, heliports, fire lookouts, and fire management facilities. Employee quarters facilities are maintained from a permanent appropriation, Operation and Maintenance of Quarters.

The Forest Service uses about 11,200 permanent buildings with 12.8 million square feet, primarily at Ranger District and work center locations, in managing NFS lands. About 46 percent of these buildings were constructed before 1940, 37 percent between 1945 and 1965, and the remaining 17 percent since 1965. Most were designed and constructed with a structural and functional life expectancy of 30 to 35 years. Extensive maintenance is needed as facilities exceed this age.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Maintenance of facilities ..	$	14,736	14,735	-1
	FTE	296	296	--

A decrease of $1,000 is proposed from the 1987 base.

This program will be maintained at the FY 1986 level. In FY 1987, unsafe and hazardous conditions will continue to receive high priority. Minimal recurrent maintenance (painting, roofing, water and sanitation systems) will be done. The maintenance backlog will continue to increase.

Object class information

Other contractual services	-1
Total	-1

Forest Fire Protection

(Dollars in thousands)

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Fire presuppression	$	139,292	144,179	137,980	144,179	141,930	-2,249
	FTE	3,716	3,790	--	3,790	3,773	-17
Fuels management	$	17,299	14,061	13,456	14,061	5,295	-8,766
	FTE	356	300	--	300	133	-167
Total	$	156,591	158,240	151,436	158,240	147,225	-11,015
	FTE	4,072	4,090	--	4,090	3,906	-184
Fuels treatment	Acres	266,731	284,500	--	284,500	48,376	-236,124

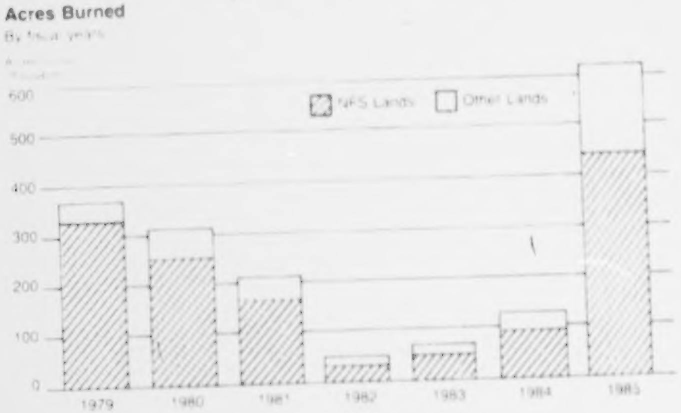
General

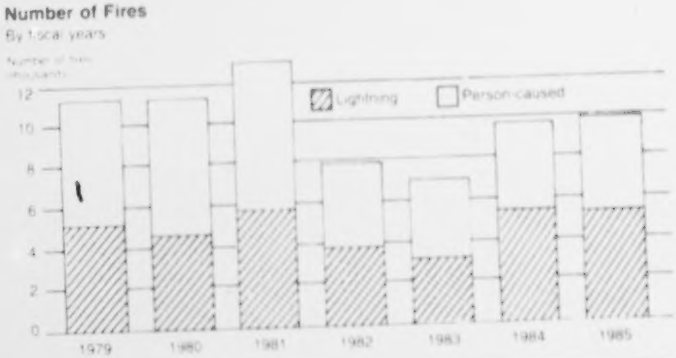
The forest fire protection (FFP) program protects life, property, and natural resources on the 191 million acres of National Forest System (NFS) lands. An additional 20 million acres of adjacent State and private lands are also protected through fee or reciprocal protection agreements.

The total cost of fire protection on NFS lands is the sum of FFP and fighting forest fires (FFF) expenditures, plus the net resource value change (NRVC; damage less benefits) as a result of wildfires. Fighting forest fires is discussed in the next section (following FFP).

The FFP program is a responsive and cost effective program of wildfire presuppression and fuels management activity, proportionate to the threat to life and property, public values, and management objectives.

The following charts show the number of acres burned and area burned, as well as as the number of fires by cause.





The following display shows the structure change for the Fire Protection program:

Old Budget Line Items (1986 Explanatory Notes)		New Budget Line Items (1987 Explanatory Notes)
1. Fire prevention 2. Fire detection 3. Fire attack 4. Fire aviation	Combination and name change	1. Fire presuppression
5. Fuels management		2. Fuels management

These revisions more accurately describe fire protection activities.

National Fire Management Analysis System

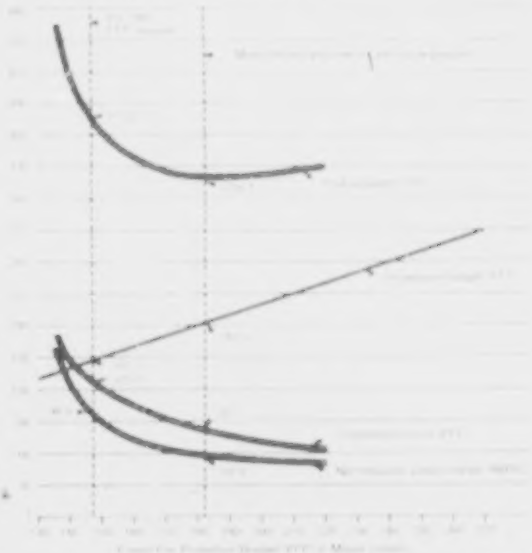
The national fire management analysis system is used to identify the level of the most economically efficient fire protection program. It is also used to identify the most efficient program composition at any given funding level. The analysis is based on historical data and economic efficiency. It considers statistically expected emergency fire suppression costs and expected net changes in resource value at alternative protection levels.

The most efficient program is specified by the lowest sum of FFP, FFF, and NRVC. The estimates for expected FFF costs and NRVC in alternative FFP budgets are considered in developing the proposed fire management program under a constrained total budget.

The initial budget analysis done in FY 1980 was limited in scope for technical reasons, but the analysis process has been revised to expand its capability, and the data base is being updated in the current forest planning process.

The following chart illustrates the relationship among FFP, FFF, and NRVC. The upper curve is the total cost of the program; its lowest point identifies the most efficient program budget level. The lowest cash outlay is that point where the sum of FFP plus FFF is minimized, which is also the most efficient point. Net resource losses are not included in the cash outlay formula. All data are in FY 1987 constant dollars.

Relationship of Forest Fire Protection, Fighting Forest Fires and Net Resources Value Changes FY 1987



When the appropriated FFP is known and average annual fire severity is replaced with an actual fire severity, the national fire management analysis system is remarkably accurate in predicting total program costs. A comparison of actual experience with the analysis model, given actual appropriations and actual severity, is shown below:

Analysis Comparison Table
(Dollars in Millions)

Fiscal Year	Alternative	Severity Factor	FFP	FFF	Net Resource Loss	Program Total
1980	Est. from appn. 1/	$ 1.00	$ 157.9 3/	$ 68.2	$ 35.4	$ 261.5
	Est. adj. for severity 2/	.68	157.9 3/	46.4	24.1	228.4
	Actual	.68	157.9 3/	64.7	44.7	267.3
1981	Est. from appn. 1/	1.00	174.3 3/	63.6	31.7	269.6
	Est. adj. for severity 2/	1.37	174.3 3/	87.1	43.4	304.8
	Actual	1.37	174.3 3/	99.0	77.9	351.2
1982	Est. from appn. 1/	1.00	142.2	133.1	80.4	355.7
	Est. adj. for severity 2/	.20	142.2	26.6	16.0	184.8
	Actual	.20	142.2	27.3	8.5	178.0
1983	Est. from appn. 1/	1.00	153.9	145.6	88.8	388.3
	Est. adj. for severity 2/	.23	153.9	33.5	20.4	207.8
	Actual	.23	153.9	35.3	23.8	213.0
1984	Est. from appn. 1/	1.00	156.7	142.8	84.6	384.1
	Est. adj. for severity 2	.56	156.7	80.0	47.3	284.0
	Actual	.56	156.7	62.2	35.8	254.7
1985	Est. from appn. 1	1.00	156.6	160.6	105.2	422.4
	Est. adj. for severity 2/	-- 4/	156.6	-- 4/	-- 4/	-- 4/
	Actual	-- 4/	156.6	166.7	-- 4/	-- 4/

1/ FFF and net resource loss estimates using an average fire severity.
2/ FFF and net resource loss estimates using an actual fire severity for the year.
3/ General Administration included.
4/ Complete data for the 1985 fire season is not available until April 1, 1986.

The analysis system estimates the expected annual average FFF and NRVC for a given FFP budget based on that budget being held constant over a period of about 10 years. Since the actual severity of the fire season varies, the FFF and NRVC experienced in a particular year are generally higher or lower than the predicted average.

The most efficient FFP budget identified by the analysis is one that will result in the lowest program cost over time. A higher program budget, while reducing both FFF costs and fire consequences on resources (net resource value change--NRVC) in both easy and severe fire seasons, will not offset the increased budget cost over time. Similarly, a reduced program will result in increased average FFF and NRVC costs (over the efficient program). While a lower budget may produce some saving over the efficient program if the year in which it is implemented is below normal in severity, significantly increased FFF costs and resources losses will result if that year is near or above normal in severity. Since the severity of an upcoming fire season cannot yet be predicted with any reasonable certainty, it is not possible to tell before hand in which years a reduced program would be appropriate as a cost-saving measure.

Fire Presuppression

Objective To ensure an appropriate level of protection from damage by wildfire to achieve land and resource management goals and objectives and fire management direction.

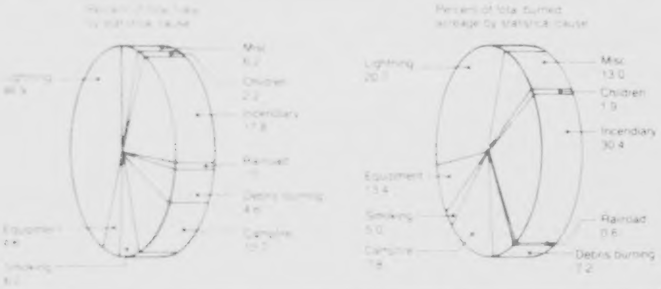
Program description This program provides the Forest Service with the capability to prevent or take prompt, effective initial suppression action on wildfires to meet land and resource management objectives.

Prevention activities reduce the number and severity of wildfires caused by people. These activities include determining fire cause, problem analysis, reducing fire risk and hazards, public education, personal contacts, and determining need for and implementing forest closures and regulated use. Fire caused determination, including arson investigation conducted by the Forest Service, is included in this program.

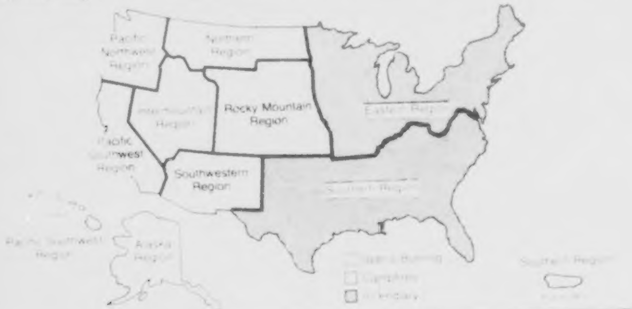
Incendiary fires, campfires, and smoking related fires are the most common national causes of person-caused wildfire. The greatest economic losses and costs result from incendiarism, campfires, and debris burning. Specific prevention activities vary by region. The following charts show the percentage of fires and area burned by statistical cause and the most significant fire cause by Forest Service region.

Percentage in Total Fires and Acres Burned, by Cause Class

5-Year Average (1980-1984)

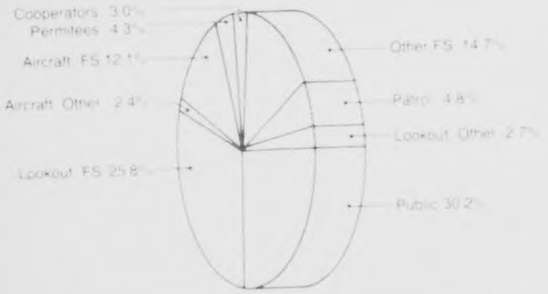


Wildfire Major Person-caused Problems in the National Forest System


Pacific Northwest Region
Northern Region
Intermountain Region
Rocky Mountain Region
Eastern Region
Pacific Southwest Region
Southwestern Region
Southern Region
Pacific Southwest Region
Alaska Region
Debris Burning
Campfires
Incendiary
Southern Region

Presuppression encompasses everything from discovery of a fire to initial action on that fire. It provides recruiting, organizing, training, and equipping firefighters for both initial action and reinforcement. The following chart displays a historical average of the methods by which wildfires have been reported or discovered.

Means of Fire Detection



The Forest Service assists other Federal agencies and States through training programs, planning assistance, sharing joint use equipment contracts, and by operating interagency fire coordination centers.

The Forest Service also participates in the national interagency incident management system (NIIMS). This system has five major subsystems which collectively provide a single, unified approach to wildfire management. The on-scene management structure is called the incident command system. Other subsystems are training; qualifications and certification; publications management; and supporting technologies. Major cooperators (other Federal agencies, States, cities, and counties) participate in NIIMS.

The fire aviation activity provides aviation management support for all Forest Service programs. It also provides aircraft, aircrews, support personnel, facilities and equipment for personnel and equipment transport, reconnaissance, survey, and aerial retardant application for fire suppression. This activity also includes the support activities of training, inspection, operation and maintenance of base facilities, and aircraft contract administration.

Detection methods include observation towers, observation aircraft and electronic systems such as automatic lightning detection devices and infrared scanners.

A fleet of about 1,200 fire engines with crews of two to five persons are used. The number of engines in service at any one time depends on funding and fire-weather severity.

Another major component of the program is 48 highly trained interregional, 20-person fire crews. These crews are very effective for initial and reinforcement suppression action. When not fighting fire they provide a ready resource for planned presuppression activities and other NFS programs.

Fixed-wing aircraft and helicopters are used to detect and observe fires, deliver fire retardant, transporting personnel and equipment, and carry out other fire suppression functions. About 90 percent of total hours flown are provided by commercial operators under contract or agreement. The remainder are flown by aircraft owned or leased by the Forest Service or cooperating agencies.

The airtanker needs assessment is being updated in FY 1986. Currently, 34 airtankers are needed.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Fire presuppression ...	$	144,179	141,930	-2,249
	FTE	3,790	3,773	-17

A decrease of $2,249,000 is proposed from the 1987 base. Emphasis will continue at the FY 1986 level on prevention and early detection of wildfires. Also, emphasis will be maintained for aviation, a high risk fire management activity. Repositioning and emergency funding of critically needed firefighting resources and interagency support will be used extensively, as it was used successfully in FY 1985, to meet fire suppression needs.

Object class information

Salaries and benefits	-401
Travel	-105
Transportation of things	-32
Rent, communications, and utilities	-234
Supplies, materials, and equipment	-449
Other contractual services	-1,028
Total	-2,249

Fuels Management

Objective

To minimize the potential for large, destructive wildfires by reducing, and where cost effective, the volume of hazardous forest and rangeland fuels.

Program description

The fuels management activity includes the inventory of fuel hazards, analysis of alternatives for treating these hazards, and treatment. Treatment includes yarding and stockpiling woody materials for increased utilization, hand or mechanically manipulating fuels to a less flammable and obstructing condition, and reducing fuel volume by removal or prescribed fire.

Improved protection of natural resources is the major benefit. Other benefits include increased utilization of woody material for fiber and heat, improved recreation opportunity (public access, visual resources, etc.), increased grazing opportunities, improved wildlife habitat, increased water yields, and improved sites for planting timber.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Fuels management	$	14,061	5,295	-8,766
	FTE	300	133	-167

A decrease of $8,766,000 is proposed from the 1987 base. At the reduced program level, the fuels management activity is economically less effective than other presuppression activities. The program includes plans to treat 48,376 acres, 236,124 acres less than in FY 1986. This reduction is due to the combined factors of budget reduction and increased unit cost due to a smaller program.

Object class information

Salaries and benefits	-3,943
Travel	-275
Transportation of things	-81
Rent, communications, and utilities	-612
Supplies, materials, and equipment	-1,167
Other contractual services	-2,688
Total	-8,766

Fighting Forest Fires

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
	(Dollars in thousands)					
Fighting forest fires ...... $	62,227	994	951	994	1,000	+6
FTE	(660)	--	--	--	--	--

Objective To provide partial funding for costs of the program.

Program description This program provides most of the direct expenses for fighting wildfires on or threatening NFS lands and for rehabilitating burned over NFS lands. It also may be used for fire suppression when forecasted and actual burning conditions exceed a nationally determined acceptable level of risk. These funds are used only to the extent necessary under emergency conditions.

The relationship between fighting forest fires (FFF) and forest fire protection (FFP) is displayed in the previous FFP section. The cost of fire protection on NFS lands is the sum of FFP, FFF, and net resource value change (NRVC) as a result of wildfires. Costs above those budgeted will require separate supplemental funding and/or reprogramming, as in the past.

Fighting Forest Fires Expenditures
(Dollars in millions)

FY 1980	FY 1981	FY 1982	FY 1983	FY 1984	FY 1985
$ 64.7	$ 99.0	$ 27.3	$ 35.3	$ 62.2	$ 166.7

Beginning FY 1987, Office of Workers' Compensation Program (OWCP) charges directly identified to fire cases will be paid from applicable fire funds. In future years, all OWCP will be paid from those program funds where injuries occurred. The Department of Labor administers OWCP and provides compensation benefits to civilian employees of the United States for disability due to personal injury sustained while in the performance of duty or for work related illness. Benefits also are provided to dependents if the illness or injury results in the employee's death.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Fighting Forest Fires . $	994	1,000	+6
FTE	--	--	--

An increase of $6,000 is proposed from the 1987 base.

The Forest Service traditionally requests an appropriation of $1,000,000 for fighting forest fires, which is supplemented when actual costs are known.

Object class information

Other contractual services	+6
Total	+6

Cooperative Law Enforcement

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Cooperative law enforcement .... $	7,212	6,959	6,660	6,959	2,450	-4,509
FTE	14	14	--	14	14	--

Objective

To cooperate in law enforcement with States and their subdivisions to remedy situations involving vandalism, destruction, and theft of personal property, and assaults against visitors to National Forest System lands.

Program description

The cooperative law enforcement program reimburses State and local law enforcement agencies for extraordinary expenses associated with protecting the public and their property on the National Forests. In many cases, the number of visitors to the National Forest equals or greatly exceeds the resident population of the counties. Since this visitor-use is seasonal and often occurs in geographically remote areas, additional costs are associated with protecting the visiting public. For example, a large number of illegal cannabis plantations (the source of marijuana) has been detected on National Forest System lands. Often they are protected by booby traps, guard dogs, and armed guards. The accidental entry of visitors into these areas poses a serious threat to visitors.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)	
Cooperative law enforcement .... $	6,959	2,450	-4,509
FTE	14	14	--

A decrease of $4,509,000 is proposed from the 1987 base.

This program level provides $2,000,000 for cannabis detection, investigation, and eradication and will emphasize removal of marijuana cultivation from National Forest System lands. Since law enforcement is primarily a local responsibility, the remaining funds will be used to maintain a minimal program in those most remote areas on the National Forest System where costs of protecting the public and their property are the highest.

Object class information

Travel	-36
Rent, communications, and utilities	-30
Supplies, materials, and equipment	-101
Other contractual services	-4,342
Total	-4,509

Forest Road Maintenance

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
	(Dollars in thousands)					
Forest road maintenance .... $	65,406	64,647	61,867	64,647	49,270	-15,377
Miles (thousands)	343.3	340.1	--	340.1	339.4	-0.7
FTE	1,194	1,185	--	1,185	1,040	-145

Objective

To support all resource programs on the National Forest System (NFS) in a cost effective manner. To maintain roads to serve intended management purposes. To protect the investment, environment, and adjacent resources. To provide for user safety. To meet applicable air and water quality standards. To provide for user economy and convenience.

Program description

This program consists of (1) managing use of the transportation system cost effectively to meet NFS resource management objectives, and (2) maintaining the system in a condition suitable for intended uses.

This work supports:

- The National Forest Roads and Trails Systems Act of October 13, 1964, which states that maintaining an adequate system of roads is essential to meet the increasing demands for timber, recreation, and other uses. Adequate road maintenance has the effect of increasing the value of timber and other resources; it is essential to intensive use, protection, development, and management of the National Forest System.

- The Highway Safety Act of 1966, which establishes criteria for a safety program to reduce death and injuries on roads.

- The National Forest Management Act of 1976, which establishes requirements for management of NFS lands.

- Resource program objectives identified in the annual NFS program of work.

The forest development road system at the beginning of FY 1986 contained about 343,300 miles of various standards and types of roads. About 90 percent of this mileage is single lane, and 75 percent of it is unsurfaced (no gravel or pavement). The capital investment realized in this system over the past 60 years is about $3.5 billion. The replacement cost of this road system exceeds $18 billion in current dollars.

Specific work activities funded by the road maintenance program include:

1. Transportation system management.

- Traffic studies--collecting and analyzing data on the use and physical characteristics of the road system.

- Jurisdiction--determining and resolving road jurisdiction and responsibility with States, counties, other Federal agencies, and private landowners.

- Cost share program--managing rights-of-way and administering construction and use agreements where it is beneficial for private landowners and the Forest Service to jointly develop and maintain a common road system, thereby reducing total costs to both parties.

- Regulations and controls--determining the need for, developing, and implementing traffic control (vehicle size, type of use, road closures, and use permits) where necessary to prevent damage to the road or resources; maintaining use within capacity limits; and ensuring that commercial users maintain roads commensurate with their use. Roads are closed to traffic to achieve specific management objectives, prevent resource damage, reduce construction and maintenance expenditures, or prevent use when road damage would occur.

- Enforcement--cooperating with local authorities to enforce Federal laws, rules, and regulations on the forest road system. This includes road closures, load limits, etc.

2. Transportation system maintenance.

- Maintenance planning--inspecting roads and bridges to determine maintenance needs, developing a plan to finance and accomplish work, and coordinating maintenance activities of purchasers and cooperators.

- Maintenance work--performing on-the-ground work, such as roadside brushing, surface grading, culvert cleaning, replacing worn out surfacing, repairing bridges and other structures, and replacing damaged signs needed to maintain safe traffic flow.

Road system management and maintenance is financed by Federal appropriations (about 48 percent), deposits from purchasers of government timber (about 48 percent), and other commercial users, such as mining, private timber hauling, etc. (about 4 percent).

Obligations of timber purchasers and other commercial users are limited to those necessary to maintain roads in a satisfactory condition for their use requirements. The Forest Service is responsible for all additional maintenance attributed to administrative and noncommercial use.

A significant portion of road maintenance does not result from road use. This work includes culvert cleaning, roadside brush control, maintenance of traffic control devices, and bridge painting. During periods of commercial haul, these costs are shared between the Forest Service and the commercial user. During periods of reduced timber harvest, however, the Forest Service must assume full responsibility for such costs.

Increased public use and timber harvest traffic have resulted in deferring road maintenance. Although road conditions may be acceptable in the short term in spite of lack of maintenance, road reconstruction costs may increase in the long term.

Although the Forest Service transportation system contains about 343,300 miles of roads, only 31 percent (106,423 miles) is usable with modern low-clearance passenger cars.

At present, 19 percent of the road system (65,227 miles) is closed to all vehicle traffic. This closure is due to land and resource management and budgetary decisions.

Road closures are used as a tool in an integrated system of land management. Land and resource management planning guides where roads should be closed to protect resource values or achieve other objectives. When open, the road provides vehicular access for intensive resource production or use. Once that activity is completed, road closure protects other resources such as soil, water, or wildlife.

Efforts have been made to constrain the Forest Service budget, including road maintenance. As a result, some restrictions are necessarily imposed on portions of the road system, and some roads are permitted to deteriorate. Land management objectives do not necessitate a system where all roads are open to all vehicles at all times.

The remaining 50 percent of the road system (171,650 miles) is usable only by high clearance vehicles (pickup trucks, 4-wheel drive vehicles, logging equipment, etc.).

FY 1985 Road Maintenance Accomplishment

		Miles Maintained:		Not
	Miles	Fully 1/	Partially 2/	Maintained for Traffic
Closed	65,227			65,227
Maintained only for high-clearance vehicles	171,650	61,850	109,800	
Maintained for passenger cars	106,423	51,423	55,000	
Total road system	343,300	113,273	164,800	65,227

1/ Includes all work necessary to fully maintain the road to serve its intended management purposes; protect the investment, environment, and adjacent resources; provide for user safety; meet applicable air and water quality standards; and provide for user economy, access, and convenience.

2/ Some needed work not done.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest road maintenance	$	64,647	49,270	-15,377
	FTE	1,185	1,040	-145

A decrease of $15,377,000 is proposed from the FY 1987 base.

Funding at this level will result in 102,000 miles of the road system being closed to all vehicular traffic, 170,000 miles being maintained for high clearance vehicles, and 67,400 miles for normal passenger cars.

Management of the estimated 339,400-mile road system in FY 1987 will protect resources and capital investment in the road system.

Maintenance associated with user safety and care for road surfaces of structures will be accomplished.

Object class information

Salaries and benefits	-4,106
Travel	-285
Transportation of things	-290
Rent, communications, and utilities	-851
Supplies, materials, and equipment	-1,939
Land and structures	-663
Other contractual services	-7,243
Total	-15,377

Forest Trail Maintenance

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
		(Dollars in	thousands)			
Forest trail maintenance .... $	9,256	9,968	9,539	9,968	8,365	-1,603
Miles (thousands)	54.8	58.8	--	58.8	47.3	-11.5
FTE	272	290	--	290	260	-30

Objective

To manage, operate, maintain, and preserve a trail system for public recreational access to National Forest System (NFS) land, and for resource protection, management, and administration.

Program description

The National Forest System contains about 99,500 miles of trails. NFS trails are key to accomplishing the Forest Service objective of increasing recreational opportunities for activities such as hiking and horseback riding. Since 1970, trail use has more than doubled. In FY 1985, there were 13.1 million recreation visitor-days spent on NFS trails. (One person hiking 12 hours is defined as one recreation visitor-day.)

Trail maintenance includes repairing and improving trail signs, trail paths, and bridges. Maintenance protects the capital investment, keeps the trails cleared for public and administrative access, and protects vegetation, soil, and water. A trail that is not maintained may be so damaged it must be abandoned or reconstructed.

Trail maintenance is a popular program with volunteers. Volunteer trail maintenance is a shared cost program. The Forest Service provides equipment, food and supervision; volunteers provide labor and organization. A major portion of the volunteer effort comes through the adopt-a-trail program. This program provides for a long term commitment by a group or individual to care for a trail. The long term aspects of this program reduce the Forest Service costs for recruiting, training, and supervising volunteers.

In FY 1985, conservation-minded individuals and groups contributed 1,069 person-years of labor, valued at $13.4 million, to the total recreation program on the National Forest System. Volunteer trail maintenance has increased from around 3,500 miles in FY 1981 to over 10,000 miles projected for FY 1986.

Wilderness classification increases trail use and trail maintenance costs. Mechanized equipment is not allowed in designated wilderness areas, so trail maintenance must be done with primitive tools and methods (such as the two-person cross-cut saw to buck felled trees, and animal pack strings to support crews). Trail maintenance costs in wilderness may be 25 percent higher than in nonwilderness.

Wilderness designation increases visitation and trail wear. The 163 additions to the Wilderness System by the 98th Congress doubled the number of wilderness areas administered by the Forest Service and substantially increased the costs of trail maintenance. Forty percent of trail maintenance funds are planned for wilderness areas, while only about 17 percent of the trail system is in these areas.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Forest trail maintenance	$	9,968	8,365	-1,603
	FTE	290	260	-30

A decrease of $1,603,000 is proposed from the 1987 base.

Funding at the proposed level will maintain 47,258 of the highest priority miles and partially provide the increased costs due to wilderness classification of 163 additional areas.

Funds will be used to provide for volunteer assistance under provisions of Section 11 of the National Trail System Act. Volunteers are expected to accomplish an additional 10,000 miles of trail maintenance.

The remaining 42,242 miles of the 99,500 mile system will receive custodial maintenance.

Object class information

Salaries and benefits	-630
Travel	-88
Rent, communications, and utilities	-110
Supplies, materials, and equipment	-323
Other contractual services	-452
Total	-1,603

Timber Sales Administration and Management

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Timber resource inventory planning .... $	10,740	12,544	12,005	12,544	13,280	+736
Thousand acres	1,254	7,883	--	7,883	7,100	-783
FTE	279	306	--	306	320	+14
Silvicultural examination . $	23,640	20,445	19,566	20,445	20,870	+425
Thousand acres	6,115	4,345	--	4,345	4,722	+377
FTE	702	650	--	650	657	+7
Sales preparation and harvest administration ... $	160,322	148,556	142,168	148,556	136,942	-11,614
Million board feet offered	11,536	11,400	--	11,400	10,025	-1,375
Million board feet harvested	10,941	11,200	--	11,200	11,200	--
FTE	4,497	4,344	--	4,344	4,158	-186
Total .... $	194,702	181,545	173,739	181,545	171,092	-10,453
FTE	5,478	5,300	--	5,300	5,135	-165

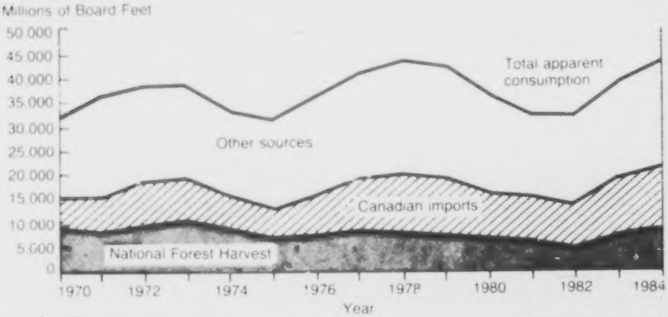
General

The National Forest System (NFS) contains the largest supply of standing sawtimber in the Nation, estimated at nearly 1.1 trillion board feet. This is about 41 percent of the national total.

The National Forests produce about 20 percent of the total sawtimber harvested in the United States each year. With the continued trend of growing demand for lumber, plywood, and other timber products, forest land management plans and related resource management programs must anticipate and provide for higher productivity on NFS lands, when it is economically and environmentally sound.

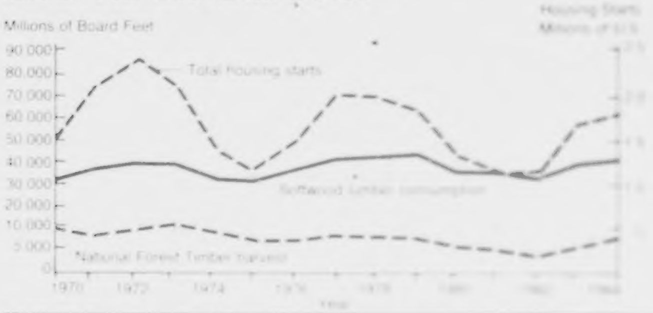
The amount of National Forest timber harvested each year depends upon many factors. The most important is new housing starts (single family and multi-family units), a major market for softwood timber.

U.S. Softwood Lumber Consumption and Sources 1970-1984



An increasingly significant share of U.S. softwood timber demand has been met through imports, largely from Canada. The softwood lumber market share filled by imports from Canada has increased from 17.8% of market in 1970 to 31% of market in 1984. These imports buffer the effect of housing starts on NFS timber harvest levels.

U.S. Housing Starts Compared with Softwood Lumber Consumption and National Forest Timber Harvest 1970-1984



Timber Sales Planning, Preparation, and Completion Process

Future timber production increases from NFS lands cannot occur on short notice. They must be "planned into the pipeline," following an orderly process to complete required planning, ensure compliance with the National Environmental Policy Act (NEPA) and other laws, and properly coordinate with management of other resources.

Timber sales planning and preparation follows the directions in the forest land management plans. The process begins with the identification of a project area and ends with the award of a timber sale contract. A 5-year timber sale action plan is maintained for scheduling the sale preparation. The stages of the process are:

1. Position statement development--completed at least 5 years before sale offering. Preparing a position statement includes extensive on-the-ground reconnaissance and data gathering to assess the technical and economic feasibility of preparing a timber sale proposal. This statement is prerequisite to entering the proposed timber sale project in the 5-year timber sale action plan, and to making further project investments. This stage also begins the NEPA process.

2. Sale area design--completed 1-3 years before sale offering. The intensive field investigation within and adjacent to the proposed project area provides information for preparing, analyzing, and evaluating alternatives under the NEPA process. The purpose is to develop an environmentally sound and economically efficient project. As a result of environmental analysis, the responsible official determines the need for a formal decision document.

During the planning and design stages of the sale, an evaluation is made of the surrounding area--a drainage, transportation analysis area, or other logical planning unit--even though a proposed timber sale may affect only a portion of the area. The pattern, methods, and timing of treatments for the entire area are considered, to ensure that developments will meet management objectives. Detailed information is developed on stand conditions, silvicultural prescriptions, logging systems applications, roads, planned fuel treatments, and other resource management opportunities. Sale planners integrate economic analysis to show the economic results and tradeoffs involved in the sale.

3. Sale plan implementation--completed 3 months to 3 years before sale offering. This includes timber marking, determination of timber volume and quality, on the ground location of harvest units, logging system design, and road survey and design. Property lines are located, and necessary cost sharing agreements and right-of-way easements are obtained. A further review of economic assumptions from the second stage is made to ensure that all the sale related activities do not burden the sale with unnecessary costs.

4. Final sale package preparation--completed 2-3 months before sale offering. The contract, timber appraisal, advertisement, bid form, prospectus, and sale area map are assembled and the sale is advertised.

5. Bid opening--includes accepting the bids, conducting an auction when appropriate, and determining the successful bidder.

6. Sale award--includes identifying the successful bidder, reviewing bidder qualifications, obtaining EEO clearance, and completing a road option investigation and feasibility review, if applicable, before the sale is finally awarded.

7. Sale administration--includes the period of time from sale award to completion of sale contract provisions. This generally takes from 1 to 5 years without contract extension. Timber sales are administered within terms of the approved timber sale contract, so that full compliance of such terms is fairly applied to both parties. Contract modification to extend time to harvest, and rate redeterminations are dealt with on a case-by-case basis.

8. Post sale treatment--includes reforestation (1-2 years), stand improvement (1-5 years), and other resource coordination activities that are carried out according to specific measures identified in the sale area design (Step 2 above) and as updated in periodic reviews of these prescriptions.

Timber Resource Inventory Planning

Objective

To gather and provide timely information on the extent and condition of the timber resource on NFS lands.

Program description

This program develops the information necessary for planning the orderly management of National Forest timber resources. This information is used primarily to determine lands suitable for timber production, establish timber sales schedules, and identify opportunities for intensive forest management.

Timber resource inventories provide information necessary to compile land classification, determine timber volume, and monitor growth rates. Other information is also gathered for forest land and resource management plans. These inventories describe the condition and extent of the timber resource on each National Forest, providing a measure to evaluate changes during the planning period.

The inventories also provide resource information for research publications and the national assessment and program required by the Forest and Rangeland Renewable Resources Planning Act (RPA). With the completion of a major part of the land management planning effort, about 8-9 million acres of NFS lands will be inventoried annually under this program. This schedule will help meet the requirements for a 10-year review cycle of NFS land and resource management planning.

This cycle of timber resource inventories is coordinated with the schedule for State forest inventories carried out under the Forest Research appropriation for forest inventory and analysis.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Timber resource inventory planning	$	12,544	13,280	+736
	FTE	306	320	+14

An increase of $736,000 is proposed from the 1987 base.

This will permit collection of timber resource inventory data on about 7,100,000 acres of NFS lands necessary to keep on schedule for preparing and updating Forest plans.

Emphasis will continue to be shifted from preparation of new Forest plans to maintenance and update of currently approved plans on a 10-year rotation.

The increase of unit cost from $1.59 per acre in FY 1986 to $1.87 per acre in FY 1987 is due largely to the more difficult terrain and access on the National Forests to be inventoried.

Object class information

Salaries and benefits	+366
Travel	+25
Transportation of things	+12
Rent, communications, and utilities	+52
Supplies, materials, and equipment	+90
Other contractual services	+191
Total	+736

Silvicultural Examination

Objective

To periodically review and analyze timber stand conditions and treatment needs to meet forest and resource management plan objectives. To provide information for monitoring and certifying silvicultural treatments to ensure the timber resource is managed properly.

Program description

The program gathers timber stand data, compiles and stores these data in stand files, and prepares an analysis and written prescription for about 5 million acres of forest land annually to ensure proper treatment.

Timber stands are normally examined at 10-year intervals so land managers can monitor changing stand conditions and treatment needs. Examinations should be accomplished 4-5 years before the proposed treatment, to allow for the orderly development of treatment prescriptions and to use information in the NEPA process.

Although Forest Service employees conduct most stand examinations, use of contractors is increasing.

A stand prescription is based on data from the silvicultural examination, a document certified by a silviculturist which describes current stand conditions and proposed silvicultural treatments.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Silvicultural examination	$	20,445	20,870	+425
	FTE	650	657	+7

An increase of $425,000 is proposed from the 1987 base.

This will provide for silvicultural examination activities on 4,722,000 acres, 377,000 more than the 4,345,000 acres to be examined in FY 1986. This level of program is necessary to sustain a future timber sale offer level of 10.0 BBF.

The estimated cost of stand examination for FY 1987 will be $4.42 per acre, compared to an average cost of $4.71 per acre in FY 1986. The reduced cost per acre is due primarily to the easier access to the acres to be examined in FY 1987.

Object class information

Salaries and benefits	+184
Travel	+16
Transportation of things	+8
Rent, communications, and utilities	+34
Supplies, materials, and equipment	+58
Other contractual services	+125
Total	+425

Sale Preparation and Harvest Administration

Objective To carry out a timber sale program that complies with applicable laws, regulations, and forest land management plans; responds to short and long term economic factors to ensure a stable supply of wood products at reasonable prices; incorporates cost efficiency and cost effectiveness as basic decision tools while protecting National Forest resource values; optimizes utilization of the available wood supply through advanced technology and marketing; incorporates improved practices and procedures for protecting the overall public interest; and provides the harvest administration activities to minimize adverse environmental impact, maximize benefits, and protect the Government from fraud, abuse, and waste.

Program description A discussion of each part of the program follows:

Timber Sale Preparation.
Although the FY 1987 sale preparation program will involve work on sales to be offered in 1987, most of the work will affect sales to be offered in 1988 through 1990. Recent program levels are:

	Sales Prepared (BBF)	Sales Offered (BBF)	Volume Harvested (BBF)	Housing Starts 1/ (Millions)
1976	10.3	10.3	9.6	1.5
1977	11.6	11.0	10.5	2.0
1978	12.2	12.6	10.1	2.0
1979	12.4	12.4	10.4	1.8
1980	12.4	12.4	9.1	1.3
1981	12.2	12.2	8.0	1.1
1982	11.4	11.1	6.7	1.1
1983	11.3	11.3	9.2	1.7
1984	11.9	11.9	10.5	1.8
1985	11.7	11.5	10.9	1.8
1986 planned	11.4	11.4	11.2	1.9 2/
1987 planned	10.0	10.0	11.2	2.0 2/

1/ Department of Commerce.
2/ OMB economic assumptions.

Harvest Administration
Timber sale contracts are administered to meet land management objectives, fulfill contractual obligations, and protect the public's interests. Administration includes ensuring that purchasers understand objectives, monitoring purchasers' activities for contract compliance, approving purchasers' work for payment, measuring (scaling) the purchasers' logs for payment, ensuring proper log accountability from stump to mill, ensuring that contract payments are adequate for the expected level of activity, negotiating and resolving disputes concerning contract performance, and enforcing laws applicable to the purchaser's operation and contract.

Fuelwood and Other Miscellaneous Products
In FY 1985, fuelwood use from NFS land increased over FY 1984. The equivalent of 1.5 billion board feet (BBF) of fuelwood was sold or given free (0.8 BBF sold, 0.7 BBF free) in FY 1985, compared with 1.4 BBF in FY 1984. Receipts from FY 1985 fuelwood sales were $5.7 million.

The fuelwood program costs are borne primarily from timber sale funds, supplemented from other benefiting funds, including brush disposal, K-V, and the timber salvage sale fund.

Fuelwood use should level off for 1986 and increase slightly in 1987. The proportion of fuelwood sold should increase as forests continue phasing in fees for fuelwood permits.

Related Funding
Funding part of the FY 1987 10.0 BBF sale program, including fuelwood and other miscellaneous products, is proposed from the following permanent appropriations:

Source	Timber Volume	FY 1987 Estimate (Dollars in thousands)
Tongass Timber Supply Fund	424 MMBF	45,815
Timber Salvage Sales	810 MMBF	20,713
TOTAL	1,234 MMBF	66,528

Relation to Other Programs
Support from other budget line items is necessary to carry out a timber sale program within a multiple use context.

- Support from wildlife, range, recreation, water, and soils helps in design and implementation of timber sales to achieve multiresource objectives on the sale area.

- Sale preparation and administration need engineering services for transportation planning, survey, design, contract preparation, and construction inspection.

- The sale program requires strong support in cadastral surveys where sales are planned adjacent to other ownerships.

- Rights-of-way sometimes must be acquired for access to timber sales.

Timber sale support to and from other programs is as follows:

	1985 Actual	1986 Estimate	1987 Estimate
	(Dollars in thousands)		
National Forest System			
Timber management	$ 140,432	$ 126,170	$ 118,912
Harvest administration	54,270	55,375	52,180
Timber support to other programs	-10,208	-6,557	-9,458
Subtotal, timber sales program	184,494	174,988	161,634
Support to timber sales program: 1/			
Minerals	1,195	1,177	1,177
Land line location	22,531	18,857	16,265
Forest fire protection	4,989	3,544	3,262
Recreation	7,237	8,044	6,461
Wildlife and fish	8,187	8,758	5,820
Range	800	975	647
Soil, water, and air	8,845	7,869	6,161
Subtotal, timber support	53,784	49,224	39,793
Total, National Forest System	238,278	224,212	201,427
Road construction			
Forest Service construction	200,915	161,185	143,817
Purchaser construction	(192,301)	(107,885)	(154,321)
Purchaser roads constructed by Forest Service	33,903	22,911	15,434
Total, road construction	234,818	184,096	159,251
Special accounts			
Brush disposal	41,822	48,026	47,835
Timber salvage fund	16,055	24,000	20,713
Tongass timber supply fund 2/	47,049	47,818	42,254
Total, special accounts	104,926	119,844	110,802
TOTAL, TIMBER SALES PROGRAM	$ 578,022	$ 528,152	$ 471,480
	(Outputs in billion board feet)		
Timber prepared	11.7	11.4	10.0
Timber offered	11.5	11.4	10.0
Timber harvested	10.9	11.2	11.2

1/ In FY 1985 and FY 1986 some road maintenance funds were included under "support to timber sales program." In FY 1987, all road maintenance funding in support of resource programs is displayed under the road maintenance line item. Road maintenance for timber harvest operations is paid for by the timber purchasers.

2/ Does not include reforestation and timber stand improvement costs. These costs are included in the Permanent Working Funds section under Tongass Timber Supply Fund (TTSF) appropriation.

Timber sale program mix

The proposed FY 1987 timber sale preparation and offer volume is 10.0 billion board feet as follows:

	Actual FY 1985	Estimated FY 1986	Estimated FY 1987
	(Million Board Feet)		
New sale volume	10,573	7,250	6,615
Reoffer volume	--	3,250	2,600
Salvage sales	962	900	810
Shelf volume	201	--	--
TOTAL	11,736	11,400	10,025

New Sale Volume

New sales are initiated 1 to 5 years prior to final offer to carry out forest land and resource management objectives in a cost effective manner.

The average unit cost for the preparation and offer of new sales is $10.53 per thousand board feet in FY 1987 compared to $10.83 per thousand board feet in FY 1986. Unit costs are slightly lower due in part to more sales coming from presently roaded areas. These costs include the preparation and offer of nonconvertible sales for Christmas trees, boughs, etc.; free use permits for personal use fuelwood; and small personal use sales of less than $300 in value; and preparation and offer of commercial timber. The costs do not include inventory, silvicultural examination, or timber support programs.

The Forest Service will continue to monitor regional and Forest timber sale levels to achieve a balance between the amount of timber offered for sale and local market demand. The amount of timber offered but not sold, and the amount of timber under contract but remaining unharvested will be reviewed annually and used to adjust timber sale plans to local market demand. These reviews will also consider improving timber sale offerings to reduce the incidence of below cost type sales.

Reoffer Volume

During the late 1970s, NFS timber was sold at high prices that were based on anticipated high housing construction levels and continued inflation that never materialized. As a result, many sales became highly unprofitable for purchasers to operate. Subsequently, enactment of the Federal Timber Contract Payment Modification Act, Public Law 98-478, provided these purchasers the opportunity to "buy out" their unprofitable contracts.

Timber sale purchasers returned 9.7 billion board feet (BBF) of National Forest timber under this law, 95 percent of it in Forest Service Regions 1, 5, and 6. This returned timber will be offered for resale in an orderly fashion, and will be given preference in the Forest Service timber sale program.

This returned timber volume will be reoffered for sale each year as follows:

FY 1986	FY 1987	FY 1988	FY 1989
3.2 BBF	2.6 BBF	2.0 BBF	1.9 BBF

Most of the returned volume in the Rocky Mountain and western Regions will be reoffered during FYs 1986 and 1987.

The estimated FY 1987 timber sale preparation costs for reoffered timber will be $5.69/MBF, about 54 percent of sale preparation costs for new sales. This unit cost is $1.11/MBF greater than the FY 1986 unit cost because the amount of time to prepare these sales will increase. The FY 1987 sales will require more field and office review to ensure compliance with environmental standards, remarking of timber, and adjustment of sale conditions to make smaller size sales. The cost is based on field estimates of the work needed to make the proposed volume available. Regional Foresters are analyzing the contracts approved for return, and will schedule the work on individual sales through the timber sale planning and preparation process described earlier.

Salvage Sales

These sales allow the Forest Service to use money from the sale of salvage material to cover the cost of preparing and administering the sale of additional insect-infested, dead, damaged, or down timber. The timber salvage sale program has provided for timely preparation, sale, and removal of this material.

These sales are a source of low-priced timber for small timber purchasers, remove material subject to damage from fire or disease, and yield a net return to the U.S. Treasury.

Shelf Volume

Congress has authorized and funded the Forest Service to prepare timber sales and hold them "on the shelf" ready for sale at a future date, when they can be used to dampen short-term fluctuations in the timber market.

If needed, these sales can be offered at an additional cost of about 10 percent. Shelf sales are sold each year, but replaced to maintain a continuous level of shelf volume ready for sale.

At the end of FY 1985, 968 million board feet of this shelf volume was available.

Unsold Sales

Each year the National Forests prepare and offer timber sales that do not sell in the same fiscal year. In such cases, the timber sale is declared to have been completed, prepared, and offered for sale, and efforts are made in the next fiscal years to sell it as initially offered or to modify it so it will sell. When the sale is sold, the volume is recorded as sold in that fiscal year. If the sale is not sold, it is withdrawn from the market to be reworked and reoffered for sale 2-5 years after the initial offer.

Cap on Uncut Timber Under Contract in Region 6

Section 2(a)(5)(C) of the Federal Timber Contract Payment Modification Act establishes two controls to limit the uncut volume of timber in Region 6 timber sales:

(1) The maximum annual timber sale volume is to be set so that no more than 12.3 billion board feet of net merchantable sawtimber is under contract at the end of each fiscal year.

(2) The maximum annual sale program is not to exceed 5.2 billion board feet of net merchantable sawtimber. These controls last through FY 1991 or the fiscal year in which the multisale extension program sales in Region 6 are completed, whichever is later.

As of September 30, 1985, 11.7 billion board feet of uncut timber was under contract in Region 6 after adjustment for the volume turned back. This was well within the Act's requirement of 12.3 BBF. However, the Forest Service will reduce the volume of net merchantable sawtimber sold in Region 6 if this is necessary to stay within the "cap," and will increase the timber volume sold in other Regions to meet its timber sale target.

New programs are being developed to supplement existing accounting procedures to accurately monitor the amount of uncut timber under contract and administer the cap. This amount will be reported quarterly the first two quarters each fiscal year the cap is in effect, and monthly during the last two quarters, to monitor the amount of volume under contract in R-6.

Special Initiatives

Special timber sale program initiatives to be developed or implemented in FY 1987 are:

- Transaction Evidence Analysis. The Forest Service will continue to evaluate the transaction evidence analysis process throughout the western Regions during FY 1986. Implementation, if approved, will expand in the Northern Region and begin in the Pacific Southwest Region as the data base for the appraisal system is refined and testing shows it to be more reliable. The Pacific Northwest and Alaska Regions will continue to test the accuracy of their systems during this period. Further expansion of transaction evidence analysis in FY 1987 is possible in areas which have proven accuracy in determining appraised rates. A transaction evidence analysis report will be submitted to the House and Senate Appropriation and authorizing committees for review.

- Heli-stat. Heli-stat is designed to demonstrate the feasibility of using a heavy-lift (20+ tons) vertical lift aircraft in harvesting timber from remote, environmentally sensitive areas of the National Forests. The current schedule calls for initial flight testing and completion of the logging qualification trials and demonstration of log hauling capabilities to take place at Lakehurst, New Jersey in FY 1986. Final analysis, report writing, program wrap-up, and disposal of the vehicle are scheduled for completion in FY 1987.

- Tree Measurement. The Forest Service will continue to use tree measurement where it is more cost effective than scaling individual logs. Expansion of this procedure will continue in low-value species or products. This expansion will occur through FYs 1986 and 1987. The Northern Region is continuing to evaluate sales in which timber is offered and sold on a per acre basis as opposed to a per thousand board foot basis. A National Forest cruising handbook has been issued with criteria for tree measurement sales. Based on development of these criteria, Forest Service Regions will develop a program to increase use of tree measurement sales.

- Sales Tracking and Reporting System. The sales tracking and reporting system will enter the third phase of implementation in FY 1986 and will be expanded to national application in FY 1987. This system will be used to follow the sale planning process from inception through post-sale activities. It will facilitate timely evaluation of the sales program during preparation, harvest, and sale area improvement.

- Timber Sale Contract. Revision of the national timber sale contract will continue through FY 1986, and the final draft will be completed and published in FY 1987. The contract was last revised in 1973. In addition to incorporating significant language changes, the revised contract will improve the wording of many easily misunderstood provisions to eliminate disputes and claims.

- Appraisals. The Forest Service will continue work with cooperating industry representatives to improve the basic data for appraisals. Mill studies will be emphasized in FY 1987, to better determine the end product volume and values of various species.

- Timber Sale Cost Accounting. In FY 1986, the Forest Service will submit to Congress the proposed cost accounting system, which displays National Forest costs and benefits for timber sales. An information management group will implement the system at the Forest level in FY 1987.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Sale preparation and harvest administration	$	148,556	136,942	-11,614
	FTE	4,344	4,158	-186

A decrease of $11,614,000 is proposed from the 1987 base. This reduction is composed of a decrease of $8,419,000 for timber sale preparation and offer activities and a decrease of $3,195,000 for timber harvest activities.

The timber sale preparation funding of $84,762,000 provides for the preparation and offer of 7.425 BBF of new sales (including 810 MMBF of timber salvage sales) and 2.6 BBF of reoffer volume as a result of the Federal Timber Contract Payment Modification Act of 1984 (FTCPMA).

The total timber sale offer program of 10.0 BBF is about 1.4 BBF less than in FY 1986.

The decreased funding requested provides for the reduced workload necessary to reexamine, remark, and reoffer 2.6 billion board feet of timber sales turned back in FY 1985. With less than the anticipated volume turned back under the FTCPMA, and more of this volume to be reoffered in FY 1986 than anticipated, the remaining volume to be reoffered will be more difficult to prepare and will involve higher unit costs. Estimated reoffer costs in FY 1987 are $5.69/MBF, an increase of $1.11/MBF from estimated FY 1986 costs.

The funding adjustments are based upon the specific timber sales and their requirements to be reoffered. The reoffer volume will be returned to the market in a timely manner commensurate with local market conditions and available work force.

Resource support will fund work that needs to be done in FY 1987 on sales scheduled in FY 1988 and later years. Particular emphasis for resource support efforts in soil and water, cultural resources, wildlife, fisheries, and minerals will enable completion of needed inventories for these resources. This effort will provide for the resolution of environmental issues that have prompted numerous administrative appeals.

Emphasis in fire and range resource coordination will provide the necessary support to meet the important issues of forest residue treatments and transitory range opportunities.

The amount of resource coordination has been further adjusted because of the amount of turn back timber sales volume that will be reoffered. A portion of these timber sales will not need to be reexamined or reevaluated; therefore, the amount of support costs has been reduced.

Funding for harvest administration includes $2.6 million to phase out the Heli-stat program in FY 1987, following completion of testing in FY 1986.

While sale offerings in FY 1987 will be 10.0 billion board feet, funding is provided to maintain future-year sales levels of approximately 2.0 billion board feet of turn back sales until all volume is reoffered, and new sales of 8.0 BBF. The amount of new sales will begin to increase as the amount of turn back sales decreases, so that advance sale preparation will have to be shifted back to new sales 2 to 3 years before they can be offered for sale.

Object class information

Salaries and benefits	-4,858
Travel	-458
Transportation of things	-218
Rent, communications, and utilities	-949
Supplies, materials, and equipment	-1,640
Other contractual services	-3,491
Total	-11,614

Timber sales from Oregon and California Grant Lands. The funding needed for the preparation and offer of 200 million board feet of timber sales for FY 1987 from Oregon and California Grant Lands that have been historically administered by the Forest Service is in the Forest Service budget. The following table shows the various funded items that are included.

Funding for

Oregon and California (O&C) Grant Lands 1/

		FY 1985 Actual	FY 1986 Estimate (Dollars in thousands)	FY 1987 Estimate
National Forest System (NFS)				
Timber Sales and Administration and Management	$	5,789	5,522	4,878
Volume, million board feet		(200)	(200)	(200)
Reforestation and Timber Stand Improvement	$	851	823	850
Acres		(1,000)	(1,000)	(1,000)
Forest Fire Protection	$	645	615	630
Recreation Use	$	163	142	140
Forest Road Maintenance	$	1,086	430	446
Maintenance of Facilities	$	95	93	90
General Administration	$	10	8	7
Subtotal, NFS	$	8,639	7,633	7,041
Construction				
Forest Road Construction	$	600	722	550
Total 2/	$	9,239	8,355	7,591

1/ The funding levels for FYs 1985, 1986, and 1987 for O&C Grant Lands under existing Forest Service management are included in the regular Forest Service appropriations.

2/ Does not include costs associated with Permanent Appropriations or Trust Funds.

Reforestation and Stand Improvement[1]

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date 2/	1986 Estimate with DCA Reduction 3/	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Reforestation						
NFS-RTF .... $	57,429	53,877	51,561	53,877	28,393	-25,484
Thousand acres	175.2	144.9	--	144.9	78.6	-66.3
K-V .... $	70,764	70,128	67,114	70,128	91,494	+21,366
Thousand acres	194.6	201.1	--	201.1	255.5	+54.4
Timber stand improvement						
NFS-RTF .... $	33,563	30,340	29,035	30,340	15,938	-14,402
Thousand acres	300.5	196.9	--	196.9	120.5	-76.4
K-V .... $	19,326	19,584	18,742	19,584	28,091	+8,507
Thousand acres	120.9	136.8	--	136.8	182.0	+45.2
Nursery and tree improvement operations						
NFS-RTF .... $	13,672	15,203	14,549	15,203	13,617	-1,586
Million seedlings						
Nursery stock-NFS	121.7	134.2	--	134.2	134.0	-0.2
Nursery-S&P	31.3	28.0	--	28.0	28.0	--
Total, NFS-RTF .... $	104,664	99,420	95,145	99,420	57,948 4/	-41,472
FTE	1,974	1,974	--	1,974	1,180	-794
Total, K-V .... $	90,090	89,712	85,856	89,712	119,585	+29,873
FTE	1,281	1,273	--	1,273	1,643	+370
TOTAL .... $	194,754	189,132	181,001	189,132	177,533	-11,599
FTE	3,255	3,247	--	3,247	2,823	-424
Reforestation (thousand acres)	369.8	346.0	--	346.0	334.1	-11.9
Stand improvement (thousand acres)	421.4	333.7	--	333.7	302.5	-31.2
Nurseries (million seedlings)	153.0	162.2	--	162.2	162.0	-0.2

1/ Funding and acres of reforestation and stand improvement under the Knutson-Vandenberg (K-V), and the Reforestation Trust Fund (RTF) (but not the Tongass Timber Supply Fund) are displayed as major elements of the program. See the "Trust Funds", "Reforestation Trust Fund," and "Permanent Appropriations-Working Funds" sections for additional information.

2/ In FY 1986, $30,000,000 from the Reforestation Trust Fund was transferred to and merged with the National Forest System appropriation.

3/ Knutson-Vandenberg funds are not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177. Therefore, the reduction from K-V is in planned obligations, rather than budget authority.

4/ FY 1987 includes $30,000,000 from Reforestation Trust Fund, of which $25,000,000 is for reforestation and $5,000,000 is for timber stand improvement.

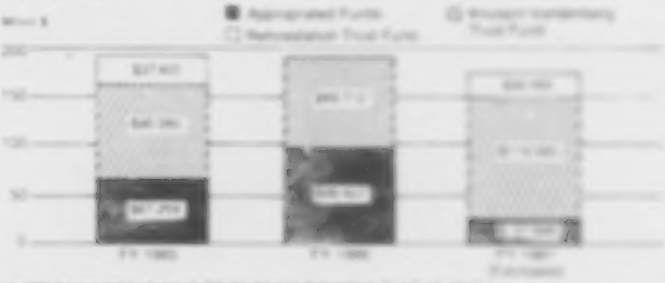
General

Reforestation and stand improvement activities are directed toward obtaining adequate stocking of forest lands and maintaining a level of timber productivity sufficient for sustained yield management of National Forest System (NFS) lands. The objective is to increase the growth rate and product quality of timber growing on National Forests to levels consistent with environmental quality, multiple resource use objectives, and total social and economic benefits and costs.

The reforestation and stand improvement program is financed with appropriated funds, reforestation trust funds, and Knutson-Vandenberg funds (K-V). These funds are used to reforest harvested areas; areas damaged by fire, insects, or disease; or failed plantations; and to release planted areas from competing vegetation or thin overstocked commercial stands.

These funds pay for seedlings purchased from Forest Service and private nurseries. Contracts for site preparation, animal damage control, fertilization, tree planting, release, precommercial thinning, and a limited amount of tree pruning are also charged to these funds.

Sources of Funding for Reforestation and Stand Improvement (1985-1987)[1]



[1] 1986 Appropriated funds include [illegible] from Reforestation Trust Fund which was merged with the National Forest System appropriation.

Reforestation

Objective To reforest annually an area equal to the area deforested annually.

Program description As of October 1, 1985, an estimated 827,000 acres of NFS land needed reforestation, due to timber harvest; natural disasters such as fire, storms, insects, and disease; and previous unsuccessful reforestation treatments. Such reforestation needs accrue continually at the rate of about 450,000 acres per year.

The Forest Service meets those needs through seeding, planting, and preparing sites to encourage natural regeneration, based on the approved management prescription. Some areas regenerate naturally without special treatment or investments beyond the timber harvest operation.

The K-V reforestation account in the Trust Funds appropriation is used to purchase seedlings for reforesting timber sale areas. Seedlings to be planted on all other areas are purchased with funds from the National Forest System appropriation.

The estimate of reforestation needs changes each year as accomplishments are reported, new inventories are completed, acres are added due to timber harvests, and other changes occur. Lands are certified as reforested following periodic on the ground examination for 3 years to verify the success of the reforestation. The following table shows changes in the reforestation needs since 1985, and FY 1987 current needs.

	Reforestation Needs (Thousand acres)
Balance, October 1, 1985	827 (Actual)
New needs in FY 1986	+450
Projected accomplishments in FY 1986	-346
New Balance, October 1, 1986	931
New needs in FY 1987	+450
Projected accomplishments in FY 1987	-334
New Balance, October 1, 1987	1,047

Current needs are expected to level off at the desirable level of about 1 million acres, indicating a continuing reforestation program of about 400,000 acres per year, including K-V work.

This rate represents the 2-3 year lag between the time an area is deforested and when it is reforested. This lag is due to environmental factors that affect the timing of site preparation, contracting to complete the work, and the availability of seedlings for that specific site.

Reforestation is a capital investment opportunity. Cost effectiveness is therefore a primary concern in planning and scheduling work. The program is guided by efforts to improve benefit-cost ratios through analysis of regeneration techniques and related work.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Reforestation	$	53,877	28,393	-25,484
	FTE	992	546	-446

A decrease of $25,484,000 is proposed from the 1987 base. This program level provides for the reforestation of 78,589 acres compared to 144,920 acres in FY 1986. The decrease of 66,311 acres from FY 1986 is a result of an increased emphasis upon the K-V reforestation program as a result of increased timber harvesting.

The combined appropriated and K-V reforestation program will accomplish about 84 percent of the estimated annual need of 400,000 acres. This will result in a current need level of 1,047,000 acres at the end of FY 1987, compared to a projected 931,000 acres at the end of FY 1986.

The method of selecting projects has been changed from least-cost-projects-first to the selection of projects that have the highest potential for future returns. The change in project selection has changed the unit costs from $328 per acre in FY 1985 and $372 per acre in FY 1986, to $361 per acre in FY 1987. Unit costs are expected to remain high because of increasing contract bid prices, site preparation costs, and animal damage control costs that continue to rise as alternative treatment methods are used to replace pesticide treatments.

The proportion of reforestation accomplished with appropriated funds continues to decline, while reforestation funded by K-V increases from 57 percent in FY 1986 to 76 percent in FY 1987.

The program level is consistent with the planned nursery seedling production for FY 1987, and recognizes the need to keep the current budget level as low as possible while still meeting management objectives.

Object class information

Salaries and benefits	-10,453
Travel	-319
Transportation of things	-216
Rent, communications, and utilities	-816
Supplies, materials, and equipment	-3,400
Land and structures	-1,591
Other contractual services	-8,689
Total	-25,484

Timber Stand Improvement (TSI)

Objective

To improve timber growth and protection by maintaining stocking control and removing competing vegetation.

Program description

Timber stand improvement activities increase timber growth or product quality by thinning to removing excess trees, removing competing vegetation, and fertilizing stands.

Young unmerchantable stands of trees are thinned, usually with chainsaws or hand tools, to remove surplus and poor quality trees and allow the remaining trees to grow at optimum rates. Hand tools, prescribed fire, machinery, and herbicides are used to remove or retard growth of competing vegetation, thus releasing trees to ensure survival or increase growth rates.

As of October 1, 1985, 1.45 million acres needed timber stand improvement to improve growing condition. Of this amount, 490,000 acres needed release from competing vegetation and 894,000 acres needed thinning. The remaining acres--about 66,000--need fertilization or pruning.

Each year about 400,000 acres of new stands are treated by reforestation. As these trees grow, most will need to be released from competing vegetation and/or thinned to maintain healthy, vigorous stands.

A maintenance level of about one million acres of TSI needs is desirable. This allows adequate lead time for planning and project preparation, and flexibility to adjust to changes.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Timber stand improvement	$	30,340	15,938	-14,402
	FTE	670	379	-291

A decrease of $14,402,000 is proposed from the 1987 base.

This level will provide for timber stand improvement on 120,500 acres as compared to 196,900 acres in FY 1986. This decrease of 76,400 acres is due to an increase in the Knutson-Vandenberg stand improvement program caused by increased timber harvest levels.

This level of TSI will increase annual growth by 500 MMBF/year.

The combined appropriated and K-V stand improvement programs will accomplish 76 percent of the estimated annual need of 400,000 acres, and result in current needs of 1,518,000 acres by October 1, 1987.

The method of selecting stand improvement projects has been changed from a criterion of least cost to the greatest potential for future returns. The average unit cost in FY 1987 is $132 per acre as compared to $154 per acre in FY 1986. The reduction in unit costs is due to the selection of high return, low cost projects combined with modified slash disposal standards.

Object class information:

Salaries and benefits	-6,819
Travel	-161
Transportation of things	-109
Rent, communications, and utilities	-412
Supplies, materials, and equipment	-1,716
Land and structures	-803
Other contractual services	-4,382
Total	-14,402

Nursery and Tree Improvement Operations

Objective

To improve the genetic quality of seed and planting stock used on National Forest System (NFS) land. To produce high quality planting stock in appropriate numbers and species for timely reforestation.

Program description

Tree Improvement Program

Forest tree improvement programs have been implemented to varying degrees in all regions. The two major goals are (1) to apply sound genetic principles to all silvicultural prescriptions and (2) to provide seed for seedling production that will yield adaptable, fast growing, high quality, pest-resistant trees. Seed collection zones and/or breeding zones based on physiographic and biological data have been delineated in all regions to ensure use of locally adapted seed.

Intensive tree improvement programs are implemented for those species and breeding zones where investments can be justified. These programs include tree selection, seed orchard establishment and management, progeny testing and selective breeding.

The genetic gains from these programs for improved growth on low productivity sites can be increased by an estimated 5 percent and gains for high productivity sites can be increased by 10 percent in the first generation alone. For example, sites that will produce 50 board feet per acre per year can be increased to 53 board feet and sites producing 120 board feet per acre per year can be increased to 132 board feet.

Improved, high quality superior stock that has been developed in the genetic tree improvement program is being grown in the Forest Service nurseries. These improved seedlings are projected to increase growth and yields in the future by at least 10-15 percent.

Nursery Operations

Eleven bareroot and three container nurseries produce high quality seedlings to meet RPA goals and the requirements of the National Forest Management Act. These nurseries must produce seedlings that meet the specific species and seed source requirements peculiar to the individual areas to be reforested.

Eleven nurseries use the Nursery Management Information System (NMIS). This standard computer system maintains information and generated reports on seed quality and inventory and on seedling production and inventory. The computers are also used to streamline other operations, such as sowing calculations, work force management, fleet use, and inventories.

Operation of all but one nursery is funded through the Working Capital Fund (WCF). Production over the last 9 years has averaged 131.3 million bareroot and 6.3 million container seedlings. Production during FY 1985 was 117.1 million bareroot and 4.6 million container seedlings.

The production and management costs at each nursery are charged to WCF and are in turn repaid as a cost of seedlings in the reforestation program. Any new facilities at these nurseries are funded from facilities construction funds and turned over to WCF for operation and maintenance. The nursery improvement funding in this program is for the replacement, upgrading, and conversion of facilities not covered under the facilities construction program. Once the specific repair or replacement has been completed, the project is added to the working capital fund for that nursery. Once the facilities and improvements are completed at the one remaining non-WCF nursery, the operations will be turned over to the working capital fund.

Forest Service seedling production is supplemented through contracts with State and private nurseries which averaged 31.6 million seedlings over the past 9 years and 31.3 million during FY 1985. The combined production of bareroot seedlings and containerized stock will be about 162.0 million seedlings for the FY 1987 program.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Nursery and tree improvement operations	$	15,203	13,617	-1,586
	FTE	312	255	-57

A decrease of $1,586,000 is proposed from the 1987 base.

The proposed $13,617,000 program includes $1,982,000 for nurseries management and $11,635,000 for the genetic tree improvement program.

The nursery management program will be concentrated upon the continued production of high quality superior stock for planting within specific tree breeding zones.

Object class information

Salaries and benefits	-1,336
Travel	-5
Transportation of things	-4
Supplies, materials, and equipment	-71
Other contractual services	-170
Total	-1,586

Recreation Use

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Recreation management .. $	84,741	85,779	82,090	85,779	33,742	-52,037
with OMRF 1/	--	--	--	(85,779)	(85,742)	(-37)
Million PAOT-days 2/	109.7	104.9	--	104.9	99.0	-5.9
FTE	2,131	2,153	--	2,153	848	-1,305
Wilderness management .. $	7,746	7,845	7,508	7,845	8,030	+185
Million acres	32.1	32.1	--	32.1	32.1	--
FTE	222	222	--	222	225	+3
Cultural resource management .... $	9,570	9,683	9,267	9,683	9,368	-315
Million acres inventoried	2.1	1.7	--	1.7	1.6	-0.1
FTE	250	250	--	250	244	-6
Total .... $	102,057	103,307	98,865	103,307	51,140	-52,167
RVDs 3/	225.4	225.0	--	225.0	225.0	--
FTE	2,603	2,625	--	2,625	1,317	-1,308

1/ In FY 1987, recreation management is proposed to be supplemented by $52,000,000 from Operation and Maintenance of Recreation Facilities (OMRF).

2/ PAOT-day is the capacity of recreational facilities expressed as persons-at-one-time, multiplied by the number of days the facility is open.

3/ RVD is a recreation visitor-day.

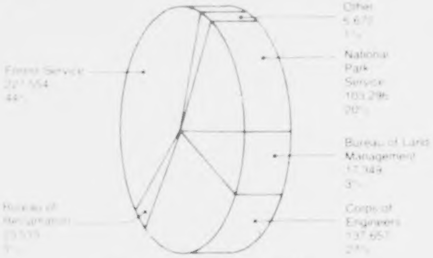
General

The National Forest System (NFS) occupies a land area 10 percent larger than Texas and provides more outdoor recreation than any other Federal property or single landholding. Of the 516 million visitor-days on Federal lands in FY 1984, 44 percent (228 million visitor-days) was provided by the Forest Service. This use ranges from opportunities provided to senior citizens camping at Forest Service campgrounds, to backpackers on remote hiking trails, to winter sports enthusiasts at commercially operated ski areas on National Forests.

The Forest Service coordinates with both businesses and other government agencies to ensure that programs are complementary and to avoid unnecessary duplication of facilities and services.

1984 Recreation Visitor-Days (RVDs) by Federal Agency

(Thousand RVDs)



Total Recreation Visitor Days = 516,043

Source: Federal Recreation Fee Report 1984, Department of the Interior

Recreation Management

Objective

To manage and protect the natural resources and facilities that accommodate the public's need for outdoor recreation, emphasizing opportunities to know and experience nature. To maintain, repair, restore, and existing facilities necessary to meet the rising demands for public outdoor recreation in natural settings. To use private sector capital financing through concession arrangements when appropriate.

Program description

The Forest Service provides a variety of recreation opportunities for the public. The following recreation facilities must be operated and maintained to provide these opportunities.

	Number	Capacity
Family campgrounds	4,061	411,423
Group campgrounds	273	33,328
Family picnic grounds	1,275	85,626
Swimming sites	304	72,737
Boating sites	1,009	96,606
Interpretive and information sites	903	54,559
Winter sports sites	128	15,421

The National Forest System has a recreation facility capacity for 158 million PAOT-days. Historically, one-quarter of the total recreation use on NFS land has occurred at these facilities. Two-thirds of all recreation use occurs in the general forest area away from facilities. White-water rafting, backpacking, hunting, and fishing are very popular on the National Forests.

The Forest Service also issues and administers permits to the private sector to provide additional recreation opportunities. In FY 1985, the number of permits were:

	Number
Recreation residences	15,800
Winter sports resorts	174
Organization camps	485
Lodges and resorts	547

Privately operated facilities provide one-tenth of the total recreation use on NFS lands.

Major emphasis continues on providing efficient recreation opportunities and facilities. User fees will be charged at about 2,350 of the 6,250 NFS family campgrounds, group campgrounds, and swimming sites, as authorized by the Land and Water Conservation Fund Act of 1965, as amended. The remaining facilities either do not offer the amenities currently required by law for a charge area or fee processing is uneconomical due to size or location.

Funding requested for FY 1987 is based on a legislative proposal which would make $52 million of receipts available to the Forest Service for use in the recreation program.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Recreation management ...	$	85,779	33,742	-52,037
	FTE	2,153	848	-1,305
Operation of maintenance of recreation facilities	$	--	52,000	+52,000
	FTE	--	1,307	+1,307
Total funding available	$	85,779	85,742	-37
	FTE	2,153	2,155	+2

A decrease of $52,037,000 is proposed from the 1987 base.

The decrease in appropriated funds is almost totally offset by the establishment of a new permanent appropriation account, Operation and Maintenance of Recreation Facilities, which makes Forest Service receipts available for program use.

The net decrease of $37,000 in total funds available will allow the Forest Service to operate approximately 99.0 million PAOT-days of managed facility use. Emphasis will be on improved maintenance of the physical plant to slow deterioration of sites and facilities.

Object class information

Salaries and benefits	-34,419
Other contractual services	-17,618
Total	-52,037

Wilderness Management

Objective

To protect and preserve wilderness resources and values while providing for a wide variety of users and minimizing potential conflicts among them.

Program description

The Forest Service manages 327 wilderness areas in 32 States, with a total acreage of about 32.1 million acres. This represents an increase of 163 wilderness areas from FY 1984. One acre in six of the National Forest System is now in the National Wilderness Preservation System. Recreation use of the 327 areas in FY 1985 was 12.7 million visitor-days, 6 percent of all recreation use.

The Forest Service manages and coordinates a variety of wilderness uses, including grazing, mining, and outfitting and guiding.

To accomplish the stated objectives and comply with wilderness legislation, the Forest Service informs wilderness users of rules and regulations by maps, brochures, permits, and backcountry managers, many of whom are volunteers.

Wilderness camping.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Wilderness management .. $	7,845	8,030	+185
FTE	222	225	+3

An increase of $185,000 is proposed from the 1987 base.

This program level will provide for the highest priority management needs of the 163 new wilderness areas passed by the 98th Congress.

Object class information

Salaries and benefits	+79
Travel	+8
Supplies, materials, and equipment	+50
Other contractual services	+48
Total	+185

Cultural Resource Management

Objective

To protect and manage the cultural resources on NFS lands and implement the requirements of the National Historic Preservation Act, the National Environmental Policy Act, the Archaeological Resources Protection Act, and USDA regulations. To help meet resource targets in timber, range, minerals, and special uses.

Program description

The Forest Service employs archaeologists to direct and coordinate cultural resource work and advise land managers on matters involving cultural resources. Since 1971, field surveys have been conducted on approximately 16 million acres of NFS lands. Over 100,000 cultural resource properties have been recorded from these surveys, and from records and studies. Three hundred properties have been placed on the National Register of Historic Places and an additional 9,000 have been determined eligible for listing.

The loss of cultural resources to vandalism, pothunting, illegal digging, and theft is a great concern in many parts of the country. The Forest Service has been investigating and prosecuting pothunting cases since the mid-1970s. Since passage of the Archaeological Resources Protection Act (ARPA) in 1979, Forest Service special agents have been directly involved with many convictions under the ARPA in several States. In FY 1985, 1,513 citations were issued for violations of cultural resource laws and regulations and 208 arrests were made in more serious incidents.

In FY 1985, 89 percent of both acres surveyed and acres cleared were in support of timber, minerals, and energy resource development programs. Acres reported as surveyed are those acres actually examined. Acres cleared are those within a project's boundaries for which cultural resource compliance actions were concluded.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Cultural resource management	$	9,683	9,368	-315
	FTE	250	244	-6

A decrease of $315,000 is proposed from the 1987 base. This program level will provide for inventory of 1.6 million acres.

The Forest Service will meet the inventory, evaluation, and mitigation requirements for National Forest activities with emphasis on timber, mineral, energy, and range programs. Law enforcement activities will be increased to reduce illegal digging and removal of artifacts on NFS lands.

Object class information

Salaries and benefits	-158
Travel	-12
Rent, communications, and utilities	-26
Supplies, materials, and equipment	-48
Other contractual services	-71
Total	-315

Wildlife and Fish Habitat Management

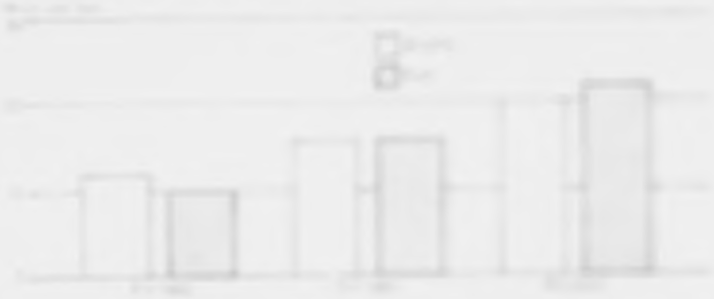
		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
Wildlife and fisheries administration and resource coordination	$	22,371	23,682	22,664	23,682	23,360	-322
	FTE	551	585	--	585	582	-3
Wildlife habitat improvement	$	6,300	6,719	6,430	6,719	4,980	-1,739
	Acres	110,973	110,250	--	110,250	64,938	-45,312
	Structures	1,848	2,167	--	2,167	2,248	+81
	FTE	152	162	--	162	129	-33
Resident fish habitat improvement	$	1,748	1,968	1,883	1,968	1,370	-598
	Acres	10,504	7,370	--	7,370	3,954	-3,416
	Structures	2,078	2,410	--	2,410	1,240	-1,170
	FTE	35	40	--	40	30	-10
Endangered, threatened, and sensitive species habitat improvement	$	2,464	2,470	2,364	2,470	1,235	-1,235
	Acres	34,452	35,830	--	35,830	15,322	-20,508
	Structures	260	950	--	950	193	-757
	FTE	44	44	--	44	27	-17
Anadromous fish habitat improvement	$	3,843	3,855	3,689	3,855	2,835	-1,020
	Acres	1,863	1,929	--	1,929	1,038	-891
	Structures	2,157	901	--	901	1,160	+259
	FTE	56	56	--	56	45	-11
Total	$	36,726	38,694	37,030	38,694	33,780	-4,914
	FTE	838	887	--	887	813	-74

General

The Forest Service manages more than 191 million acres of habitat for about 3,000 species of wildlife and fish. Half of the big game and coldwater fish habitat in the Nation occurs on National Forest System (NFS) lands and waters. The National Forest System will become increasingly important for wildlife and fish related recreation as private lands are converted to other uses and the costs of hunting, fishing, and nonconsumptive uses (birdwatching, etc.) on private lands increase.

In FY 1985, NFS lands provided about 32 million wildlife and fish user-days (12-hour days). The trend from FY 1982 to FY 1985, projected to FY 2000, is shown in the following figure. Public demand is expected to increase by 25 percent for hunting and 40 percent for fishing by FY 2000.

Trend of Wildlife and Fish User-Days on the National Forest System



Fishing use is expected to increase by at least 40 percent on the National Forests by the year 2000.

The National Forest System provides most of the habitat for many fish and wildlife species, such as cutthroat trout, moose, black bear, elk, bighorn sheep, and mountain goats. About 80 percent of all the elk harvested in the United States (about 80,000 annually) comes from NFS lands. The range of wild turkey populations on the National Forests has been increased significantly in the past 30 years through cooperative programs with the States. NFS lands provide more than 50 percent of the rearing and spawning habitat for salmon and steelhead in California and the Northwest. NFS waters annually produce more than 118 million pounds of salmon and steelhead valued at over $123 million. They have the potential to produce 190 million pounds of salmon and steelhead valued at $229 million.

The National Forest System is key to the survival and recovery of many threatened or endangered species, such as the grizzly bear, woodland caribou, California condor, red-cockaded woodpecker, Lahontan cutthroat trout, and gray wolf. Habitats for 85 federally listed threatened and endangered species and 11 species proposed for listing are being managed on NFS lands. In compliance with the Endangered Species Act of 1973, as amended, the Forest Service conducts inventories, planned habitat protection and improvement programs, and other activities as the Agency's share of recovery objectives. The work is done in cooperation with the Fish and Wildlife Service, individual States, other agencies, organizations, and individuals. The sensitive species program provides special management attention to certain plants, fish, or wildlife to prevent reductions in habitat that would cause them to become federally listed as threatened or endangered.

The goal of habitat management on NFS lands is to maintain self-sustaining populations of existing native and desired nonnative vertebrate species, and to improve the habitat productivity of those species highly desired by the public, such as deer, elk, wild turkey, trout, bass, and salmon.

This goal is accomplished indirectly through habitat benefits from other resource management programs, such as timber and range management; directly through capital investments, which include such activities as seeding, planting, burning, and aquatic habitat development; and through cooperation with State fish and wildlife agencies.

A priority in wildlife and fish management is coordinating with other resource activities, such as timber sales, to ensure that complementary wildlife and fish benefits are achieved and that adverse impacts are minimized.

Another priority is addressing habitat needs of salmon and steelhead, waterfowl, threatened and endangered species, and other species either low in number or significantly affected by other resource management programs. Continued emphasis will be given to managing habitat for big game and resident fish on NFS lands.

Forest Service personnel work closely with other Federal, State, and local agencies in planning and performing activities that affect fish and wildlife on NFS lands. Comprehensive plans, displaying habitat improvement and maintenance needs to meet State objectives for wildlife and fish on NFS lands, have been prepared jointly with State fish and wildlife agencies in 42 States.

Wildlife and Fisheries Administration and Resource Coordination

Objective	To administer the wildlife and fish program and provide wildlife and fisheries expertise in planning all activities that affect habitat, in order to minimize impacts or enhance habitat.
Program description	Administration of the program includes such activities as cooperation with State and Federal agencies and fish and wildlife interest groups, training for biologists, habitat surveys, habitat monitoring, and development of wildlife and fisheries information systems.

Cooperation with State and other agencies and organiza-tions, such as Ducks Unlimited (DU), is an important part of the wildlife and fisheries program. In FY 1985, three wetland habitat improvement projects funded by DU, such as this marsh, were completed on the Chippewa National Forest in Minnesota.

For resource coordination, wildlife or fisheries biologists work with other Forest Service resource managers to design projects or programs, such as timber sales, mineral developments, or livestock grazing. An example of wildlife habitat enhancement through resource coordination is a timber sale on a winter range specifically designed to increase big game forage. In most instances, resource coordination efforts of Forest Service biologists are designed to protect habitat or to minimize impacts of other resource management programs.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Wildlife and fisheries administration and resource coordination .. $	23,682	23,360	-322
FTE	585	582	-3

A decrease of $322,000 is proposed from the 1987 base. Fish and wildlife support to timber management (including the reoffer of timber returned under P.L. 98-478, the Federal Timber Contract Payment Modification Act), land management planning, and other resources will be fully funded.

Support to other resource programs to provide for wildlife and fish surveys, mapping, inventory, and evaluation will be funded at levels to comply with the National Environmental Policy Act, the National Forest Management Act, and the Endangered Species Act. Recent judicial interpretations of these laws require increasingly precise analysis and habitat evaluations.

Increased efficiency and precision will result from greater use of wildlife and fish habitat models by which other resource activities may be evaluated. Several fisheries and big game habitat models will move from testing to operational phases. A continuing increase in use of cumulative effects will occur. These models provide a level of probability of the effects of other management activities on wildlife and fish habitat for a variety of species.

A reduction will occur in surveys and mapping of habitat for big game, upland bird, and cold water fish species. These projects will be prioritized to accomplish those which are done in coordination with the States to meet their needs for management and schedule those which are not as critical for future years.

Object class information

Salaries and benefits	-88
Travel	-28
Transportation of things	-9
Rent, communications, and utilities	-33
Supplies, materials, and equipment	-53
Other contractual services	-111
Total	-322

Wildlife Habitat Improvement

Objective

To maintain the habitat carrying capacity for those wildlife species in public demand for consumptive or nonconsumptive purposes.

Program description

Emphasis is on improving habitats that cannot be improved through the management of other resources, such as timber, and on mitigating impacts from other management activities. Wildlife habitat improvements include such activities as prescribed burning for bighorn sheep, elk, deer, and turkey; water developments for quail, chukars, and mourning doves; access management on existing roads to reduce habitat disturbance for elk, mountain goats, and black bear; nesting structures for wood ducks; and riparian and wetland improvements for waterfowl, wading birds, and other wetland associated species.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Wildlife habitat improvement	$	6,719	4,980	-1,739
	FTE	162	129	-33

A decrease of $1,739,000 is proposed from the 1987 base.

Accomplishments will be decreased from 110,250 acres of habitat improvement in FY 1986 to 64,938 in FY 1987, a decrease of 45,312 acres. The number of structures will increase from 2,167 in FY 1986 to 2,248 in FY 1987, an increase of 81 structures.

Emphasis will be on projects which mitigate losses from timber sales and other resource projects, and those which benefit several species, such as wetlands improvements and prescribed burning. Prescribed burning improves wildlife habitat for many species at a low cost per acre.

Object class information

Salaries and benefits	-971
Travel	-93
Transportation of things	-30
Rent, communications, and utilities	-108
Supplies, materials, and equipment	-172
Other contractual services	-365
Total	-1,739

Resident Fish Habitat Improvement

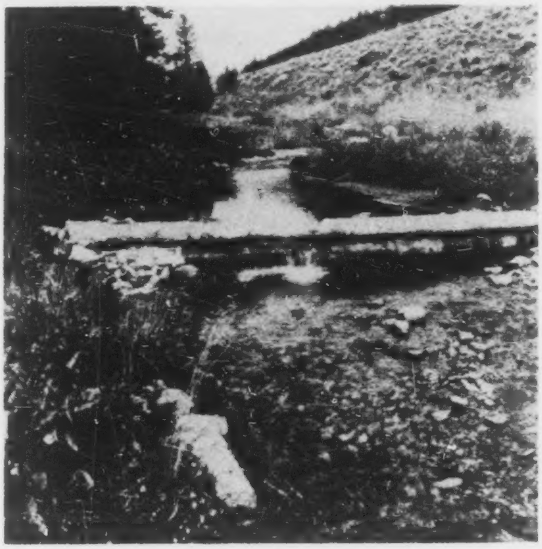
Objective

To maintain the habitat carrying capacity for those resident fish species in public demand.

Program description

Present activities maintain the capability of lakes and streams to support resident fish populations. Priority is given to direct habitat improvement projects, such as construction of low head dams to provide feeding and resting areas for fish. There is little opportunity to improve fish habitat through coordination with other resource activities, such as timber sales and range management projects.

Habitat improvement activities include installing artificial spawning reefs and fish shelters to improve lake habitats, creating sheltered pools in streams to increase fish holding capacity, and placing structures in streams to provide fish spawning and rearing habitat. The potential to increase fish habitat carrying capacity on NFS lands is estimated at 25 percent.



Stream habitat improvements, such as this log dam, are important to increase fish production and to satisfy rapidly growing public demand.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Resident fish habitat improvement .... $	1,968	1,370	-598
FTE	40	30	-10

A decrease of $598,000 is proposed from the 1987 base.

Accomplishments will be decreased from 7,370 acres of habitat improvement in FY 1986 to 3,954 in FY 1987, a decrease of 3,416 acres. The number of structures will decrease from 2,410 in FY 1986 to 1,240 in FY 1987, a decrease of 1,170 structures.

The first priority for management will be projects in high productivity fish habitats that mitigate the effects of other activities, such as timber sales, minerals development, and livestock grazing. Projects which improve trout habitat will be second priority.

Object class information

Salaries and benefits	-292
Travel	-37
Transportation of things	-12
Rent, communications, and utilities	-43
Supplies, materials, and equipment	-68
Other contractual services	-146
Total	-598

Endangered, Threatened, and Sensitive Species Habitat Improvement

Objective

To maintain the habitat carrying capacity for threatened and endangered plants and animals and viable populations of sensitive plants and animals, thus avoiding the need for Federal listing of these species.

Program description

Forest Service endangered species recovery responsibilities are guided by and coordinated with the legally mandated formal recovery plans prepared by the USDI Fish and Wildlife Service and the State fish and wildlife agencies.

Activities to avoid further losses of threatened, endangered, or sensitive species include prescribed burning to improve the habitat for the Kirtland's warbler in Michigan and the red-cockaded woodpecker in the Southeast; assisting the States and the Fish and Wildlife Service in reintroducing peregrine falcons; rehabilitating streams for threatened or endangered fish, such as the Lahontan cutthroat trout; providing facilities and technical guidance for the Puerto Rican parrot program; and identifying and mapping habitat for spotted owls and grizzly bears.

Management of peregrine falcon habitat and reintroduction of this endangered species on National Forest System lands are important to its recovery.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Endangered, threatened, and sensitive species habitat improvement	$	2,470	1,235	-1,235
	FTE	44	27	-17

A decrease of $1,235,000 is proposed from the 1987 base.

Accomplishments will be decreased from 35,830 acres of habitat improvement in FY 1986 to 15,322 in FY 1987, a decrease of 20,508 acres. The number of structures will decrease from 950 in FY 1986 to 193 in FY 1987, a decrease of 757 structures. This decrease will be partially offset by emphasis in planning and coordination to prevent or reduce adverse impacts that must be compensated for by habitat improvement.

Emphasis in habitat improvements will be for species in the most critical situations.

Recovery projects will be delayed for threatened, endangered, and sensitive species with stabilized populations and habitat.

Object class information

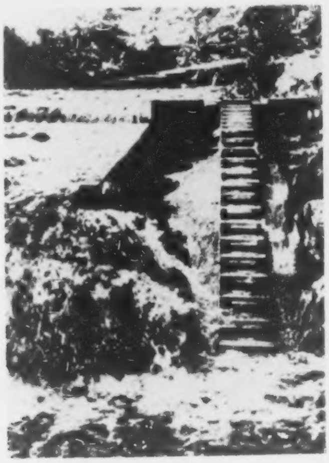
Salaries and benefits	-499
Travel	-89
Rent, communications, and utilities	-103
Supplies, materials, and equipment	-194
Other contractual services	-350
Total	-1,235

Anadromous Fish Habitat Improvement

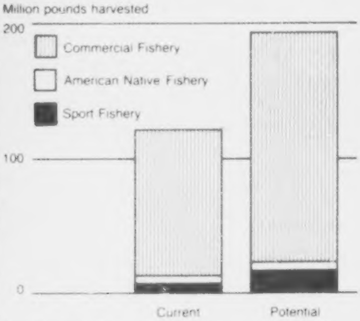
Objective To maintain the habitat carrying capacity and the production of anadromous fish for commercial use, sport fishing, and Native American subsistence.

Program description Present projects are intended to maintain the habitat carrying capacity for West Coast anadromous fish, such as spring chinook salmon and steelhead in the Columbia River Basin. Activities include removing fish barriers, placing stream habitat improvement structures, fertilizing lakes, and creating artificial spawning and rearing facilities.

This program is critical to restore spawning and rearing habitats degraded by development of other resources. By complementing the Northwest Power Planning Council and other fishery restoration plans, the Forest Service has an opportunity to move this resource to its full production potential. NFS waters could support an increase of 72 million pounds of anadromous fish (see following graph).



Current and Potential Anadromous Fish Production on the National Forest System



	Current	Potential
Direct Economic Value	$123 000 000	$229 000 000
Total Economic Value	$394 000 000	$733 000 000
Employment	10 244 people	19 058 people

Habitat improvement projects such as this fish ladder constructed on the Tongass National Forest in Alaska, are important to increasing salmon and steelhead production from National Forest System lands.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Anadromous fish habitat improvement .... $	3,855	2,835	-1,020
FTE	56	45	-11

A decrease of $1,020,000 is proposed from the 1987 base.

Accomplishments will be decreased from 1,929 acres of habitat improvement in FY 1986 to 1,038 in FY 1987, a decrease of 891 acres. The number of structures will increase from 901 in FY 1986 to 1,160 in FY 1987, an increase of 259 structures.

The increase in structures is to partially offset the acreage decrease by completing habitat improvements which have a high fisheries productivity and a benefit cost ratio of approximately 3.5 to 1.0. Habitat improvements will include the construction of in-stream pool and riffle structures and erosion control structures along streambanks.

Highest priority will be given to projects that mitigate the effects of timber sales, minerals development, and livestock grazing. Projects that improve habitat for species of commercial value and that are coordinated with other agency efforts will receive second priority.

Object class information

Salaries and benefits	-324
Travel	-84
Rent, communications, and utilities	-98
Supplies, materials, and equipment	-183
Other contractual services	-331
Total	-1,020

Range Management

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Grazing program .... $	24,691	24,238	23,196	24,238	25,595	+1,357
Permitted livestock Grazing use (million AUMs)	10.1	9.8	--	9.8	9.8	--
FTE	626	615	--	615	632	+17
Range forage and structural improvements .... $	2,320	2,182	2,088	2,182	769	-1,413
Forage improvement Thousand acres	80.5	65.4	--	65.4	59.7	-5.7
Structural improvement Thousand acres in 1985	1,549	--	--	--	--	--
Structures in 1986 and 1987	--	1,988	--	1,988	2,290	+302
FTE	41	38	--	38	16	-22
Wild free-roaming horses and burros .... $	176	274	262	274	275	+1
FTE	3	4	--	4	4	--
Noxious farm weed control . $	983	1,366	1,307	1,366	1,180	-186
Acres treated	17,421	29,550	--	29,550	12,262	-17,288
FTE	17	21	--	21	19	-2
Total .... $	28,170	28,060	26,853	28,060	27,819	-241
FTE	687	678	--	678	671	-7

Summary of funds available for the range program:

	1985 Actual	1986 Planned	1986 DCA	1987 Estimate
Range management	$28,170	$28,060	$26,853	$27,819
Range Betterment Fund	3,966	3,798	3,635	3,800
Total	$32,136	$31,858	$30,488	$31,619

General

The Forest Service range program provides for sustained use by livestock and other herbivores; long-term requirements of wild horses and burros; and other ecosystem attributes, such as wildlife habitat, soil and water quality, watershed protection, and habitat for nongame species. The program emphasizes improving and maintaining resource productivity. It is guided by production efficiency analysis and the market value of forage. This program contributes to the quality of life for rural residents and communities that depend on National Forest System (NFS) range resources.

Grazing Program

Objective

To contribute to the economic well-being of rural residents by promoting stability of family ranches and farms in areas with National Forests and National Grasslands. To produce range forage on NFS lands that contributes substantially toward meeting the Nation's food needs. To use NFS lands to demonstrate range management practices appropriate for use on associated private lands. To promote cooperation and coordination among farmers, ranchers, government agencies, and others interested in making the most effective use of ranges of all ownerships.

Program description

Livestock grazing allotments encompass 105 million acres or 55 percent of the NFS lands in 36 States. About 51 million acres are suitable for livestock grazing; the remainder are unsuitable because of unstable soils, steep topography, or inherent low potential for forage production. Acres unsuitable for livestock grazing are often suitable habitat for wildlife species.

A 1977 analysis estimated that 70 percent of the 51 million acres suitable for livestock grazing were in satisfactory ecological status. (Ecological status for a site is the present state of vegetation and soil protection in relation to the potential natural community for the site.)

In FY 1985, there were 10,223 grazing allotments used by ranchers to graze cattle, horses, sheep, and goats. Eighty-six percent of the cattle permittees have base herds of 500 cows or less. In the West, NFS ranges supply an average of 25 percent of the permittee's annual requirements for livestock feed.

Revenue to the U.S. Treasury from the grazing program is expected to be about $9.0 million in FY 1987. This value does not consider benefits to wildlife habitat, soil and water quality, watershed protection, and additional forage for nongame species, resulting from range management activities.

In FY 1985, improved management was started on 351 allotments. Improved management is started when one or more management actions prescribed in the allotment plan, such as fence construction, brush control, or livestock water developments, have been completed. In FY 1985, 71 percent of the allotments were under improved management and adequately maintained. Improved management is adequately maintained if the actions prescribed in the allotment management plan are carried out according to a schedule that will not permit regression in range condition. Comparable figures for the last five fiscal years follow:

	Total Allotments	Allotments with Improved Management Maintained		Allotments with Improved Management Started	
1981	10,871	6,705	62%	677	6%
1982	11,069	6,886	62%	705	6%
1983	10,417	7,125	68%	534	5%
1984	10,296	7,018	68%	471	5%
1985	10,223	7,237	71%	351	3%

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Grazing program	$	24,238	25,595	+1,357
	FTE	615	632	+17

An increase of $1,357,000 is proposed from the 1987 base.

This increase is offset by a decrease in the range improvement program. Emphasis will be on improving ranges by better management, which is a more cost-effective approach than capital investments in range improvements. The overall funding level will continue the grazing program at 9.8 million animal unit months.

The program will continue to emphasize permittees' assuming more responsibility for livestock grazing management activities, which includes the maintenance and implementation of allotment management plans.

In FY 1987, most allotments with improved management will be maintained by carrying out scheduled actions in allotment management plans to prevent regression in range conditions. Improved management will be started on a limited number of new allotments.

Object class information

Salaries and benefits	+463
Travel	+79
Rent, communications, and utilities	+180
Supplies, materials, and equipment	+279
Other contractual services	+356
Total	+1,357

Range Forage and Structural Improvements

Objective [illegible]

Program description [illegible]

[illegible]

[illegible]

[illegible]

Object class information [illegible]

Wild Free-Roaming Horses and Burros

Objective

To manage, protect, and control wild free-roaming horses and burros on NFS lands to maintain a thriving natural ecological balance.

This program is pursuant to the Wild Free-Roaming Horses and Burros Act, P.L. 92-195 (85 Stat. 649, 16 U.S.C. 1331-1340), as amended by the Federal Land Policy and Management Act of 1976 (90 Stat. 2743), and the Public Rangelands Improvement Act of 1978 (92 Stat. 1803, 43 U.S.C. 1901).

Program description

The Forest Service protects, manages, and controls about 1,500 wild horses and burros on NFS lands. Activities relating to wild horses and burros are coordinated with the Bureau of Land Management. Population levels to achieve management objectives are based on wild horse and burro forage and habitat requirements in coordination with wildlife, permitted livestock, and other uses. Excess animals are removed by authorized personnel. They are adopted by qualified people, who receive title after a year if their care proves satisfactory.

In FY 1985, 324 excess wild horses and burros were removed from designated territories. Scheduled removals for FY 1986 will keep most populations at a level that preserves and maintains a natural ecological balance.

Increase for 1987

		1987 Base	1987 Estimate	+ Increase
		(Dollars in thousands)		
Wild free-roaming horses and burros	$	274	275	+1
	FTE	8	8	--

A slight increase of $1,000 is proposed from the 1987 base. This program level will allow for the removal of approximately 365 surplus animals. This number of removals will offset the natural increases in wild horse and burro populations in FY 1987.

Object class information

Other contractual services	+1
Total	+1

Noxious Farm Weed Control

Objective

To control noxious weeds on NFS lands, including reimbursement to local, county, and State weed control authorities as provided in the Carlson-Foley Act of 1968 (43 U.S.C. 1241-43). To establish and maintain beneficial plant cover on NFS lands to maintain productivity and limit the invasion of specified noxious weeds onto adjacent private lands.

Program description

Many States have enabling legislation authorizing counties and other jurisdictions to establish weed control districts covering all or part of a county. Weed control districts are concerned with control of noxious weeds within the district regardless of land ownership. Priority for use of program funds is to control noxious weeds on NFS lands when the weed district is controlling the same species of noxious weeds on private lands.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Noxious farm weed control	$	1,366	1,180	-186
	FTE	21	19	-2

A decrease of $186,000 is proposed from the 1987 base. This program level will allow for treatment consistent with court decisions on the use of herbicides. Highest priority will be given to the prevention of invasion or reinvasion on NFS lands by noxious farm weeds and, in turn, infestation of associated private agricultural lands.

The Forest Service program will be coordinated with local weed control programs.

Object class information

Salaries and benefits	-58
Travel	-12
Rent, communications, and utilities	-21
Supplies, materials, and equipment	-41
Other contractual services	-54
Total	-186

Soil, Water, and Air Management

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Soil, water, and air operations .... $	22,044	22,157	21,205	22,157	22,797	+640
FTE	520	520	--	520	527	+7
Soil and water resource improvement .... $	3,105	3,117	2,983	3,117	1,225	-1,892
Thousand acres	6.4	6.6	--	6.6	2.0	-4.6
FTE	52	52	--	52	27	-25
Soil and water resource inventories .... $	6,659	6,572	6,289	6,572	4,765	-1,807
Million acres	9.7	7.7	--	7.7	4.8	-2.9
FTE	108	106	--	106	87	-19
Total .... $	31,808	31,846	30,477	31,846	28,787	-3,059
FTE	680	678	--	678	641	-37

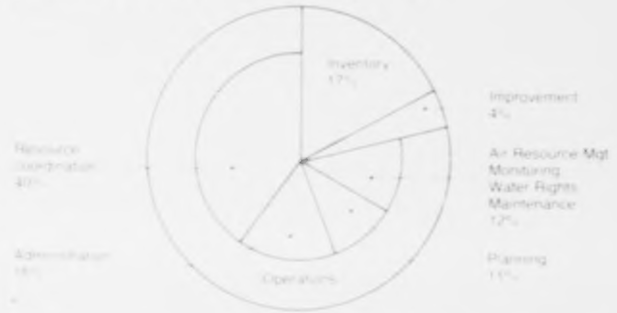
General

The objectives of the soil, water, and air management program are: to achieve water of suitable quality and quantity to meet public needs and desires; to provide for the continued production of other resources by protecting and enhancing soil productivity; and to comply with requirements of the Clean Air Act for maintaining or enhancing air quality.

Maintaining or improving soil, water, and air values results in direct benefits to the range, recreation, timber, wilderness, fish, and wildlife resources, as well as public enjoyment and use of these resources.

This program results in direct benefits to range, recreation, timber, wilderness, fish and wildlife resources, and the public enjoyment and use of these resources.

Composition of Soil, Water, and Air Funding—FY 1987



Soil, Water, and Air Operations

Objective

To use soil, water, and air expertise in meeting overall resource production and environmental goals.

Program description

The program includes:

- Assisting activities such as timber sales, mineral development livestock grazing, or recreation development through resource coordination. An example is evaluating potential soil erosion and water quality impacts of a road construction project, and designing conservation practices that will avoid damage to these resources.

- Monitoring soil, water, and air resources to determine whether goals for water and air quality and soil productivity are being met, and to provide a basis for identifying more effective management practices. This work is necessary to validate the effectiveness of practices in meeting goals and to meet the requirements of the National Forest Management Act, Clean Water Act, Safe Drinking Water Act, and Clean Air Act.

- Maintaining existing soil and water improvements to ensure their continued effectiveness.

- Identifying and quantifying water requirements to carry out management responsibilities on the National Forest System, and securing and validating water rights to meet these requirements through State procedures.

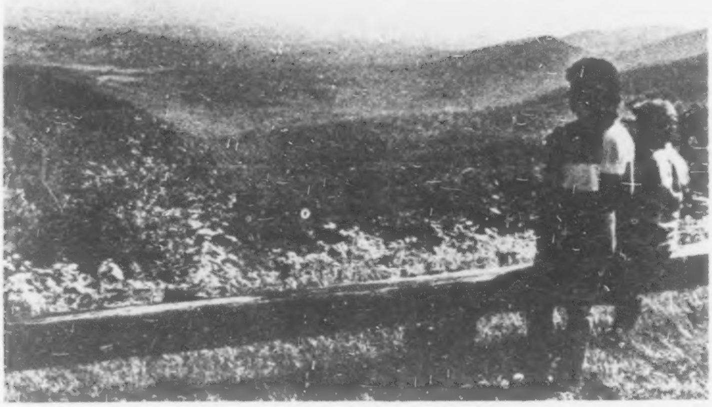
- Preparing emergency rehabilitation plans for lands damaged by wildfires, floods, or other natural disasters, as authorized by the Agricultural Credit Act (16 U.S.C. 2203). Approximately 125,700 burned acres were rehabilitated in FY 1985.

Example of successful flood rehabilitation project on the Monongahela National Forest in West Virginia. Stream channel and downstream facilities were damaged by a high intensity storm in 1965. Structures were necessary to stabilize the channel and allow natural revegetation of banks.

- Cooperating with other agencies in soil, water, and air resource activities on or directly affecting the National Forest System. This work includes water supply and flood forecasting; surveys of air quality, soil, and water quality; and management of public water supplies. In FY 1985, activities included participation with the Environmental Protection Agency in the western lake survey.

- Preparing soil and water improvement plans for lands in declining watershed condition. In addition to normal appropriations, this work is also authorized by the Lake Tahoe Basin Act (P.L. 96-586) and Knutson-Vanderburg Act (K-V), as amended. Approximately 12,000 acres were improved in FY 1985.

- Managing air resource through the review of preconstruction applications for private sector development under the prevention of significant deterioration (PSD) program. Significant activities included initiation of a study under the Virginia Wilderness Act in FY 1985.



Example of areas involved in air quality study required by the Virginia Wilderness Act. Note the regional haze impairment of background features.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Soil, water, and air operations .... $	22,157	22,797	+640
FTE	520	527	+7

An increase of $640,000 is proposed from the 1987 base. This increase is necessary for the expanding program needs in air resource management, water rights, and municipal water supplies.

Air resource management funding includes review of the most urgent preconstruction applications for private sector development and partial completion of the study of the Virginia Wilderness Act required by P.L. 98-586.

The more critical water rights adjudication deadlines will be met.

Water quality monitoring requirements on the Bull Run municipal watershed will be met as established by P.L. 92-500.

The total program continues to place less emphasis on resource coordination, monitoring, and maintenance of watershed improvements and more on specific legal requirements in air and water management.

Object class information

Salaries and benefits	+226
Travel	+50
Rent, communications, and utilities	+77
Supplies, materials, and equipment	+96
Other contractual services	+191
Total	+640

Soil and Water Resource Improvement

Objective

To improve soil productivity and water quality, and to provide for favorable conditions of waterflow.

Program description

Soil and water improvement activities include installing erosion control structures, reshaping gullied land, and revegetating denuded areas.

These activities reduce erosion and improve soil productivity. Water quality is improved by reducing the movement of sediment and other pollutants to streams and lakes.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Soil and water resource improvement	$	3,117	1,225	-1,892
	FTE	52	27	-25

A decrease of $1,892,000 is proposed from the 1987 base. Part of this reduction in funds will be offset by a $1,288,000 increase in K-V soil and water improvement funding. The total program will allow treatment of 2,030 acres, as compared to 7,267 acres in FY 1986, primarily to improve soil productivity and water quality.

Object class information:

Salaries and benefits	-805
Travel	-131
Rent, communications, and utilities	-203
Supplies, materials, and equipment	-251
Other contractual services	-502
Total	-1,892

Soil and Water Resource Inventories

Objective

To provide information concerning soil and water capabilities and limitations for use in resource management and planning. This information is used to meet the basic stewardship responsibilities of ensuring long term soil productivity and the continued supply of high quality water.

Program description

These inventories collect, describe, map, and interpret basic soil and water resource information required to manage the National Forest System for multiple use and sustained yield. Information provided includes:

- Soil productivity, and the resource potentials and limitations.
- Extent and location of soils having erosion and stability problems.
- Water yield and quality, including timing of flows.
- Stability of lakes and streams.

Soil inventories are conducted at different levels of intensity:

- Low intensity inventories provide information for planning and broad resource allocation. All lands should be inventoried at this intensity.
- High intensity inventories provide information for use in areas where intensive management is planned. About half of the NFS lands will be covered by these inventories.

Water resources inventories are conducted to meet identified management needs. They may provide information for beneficial uses, instream flow needs, management activities, or practices that would maintain and improve watershed condition.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Soil and water resource inventories	$	6,572	4,765	-1,807
	FTE	106	87	-19

A decrease of $1,807,000 is proposed from the 1987 base. The total program will allow completion of 4,828,000 acres of soil and water inventories. This compares to 7,668,000 acres planned for inventory in FY 1986.

Object class information

Salaries and benefits	-613
Travel	-144
Rent, communications, and utilities	-223
Supplies, materials, and equipment	-275
Other contractual services	-552
Total	-1,807

General Administration

(Dollars in thousands)

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Line management	$	42,650	43,260	43,017	43,260	43,992	+732
	FTE	896	891	--	891	886	-5
Program support	$	116,119	112,436	103,669	112,436	111,954	-482
	FTE	4,826	4,581	--	4,581	4,472	-109
Common services	$	100,075	106,418	104,157	106,418	101,050	-5,368
Total	$	258,844	262,114	250,843	262,114	256,996	-5,118
	FTE	5,722	5,472	--	5,472	5,358	-114

General

General Administration consists of managerial and support activities that cannot be readily identified with specific programs when they are planned.

For financial planning, budgeting, and accounting purposes, these activities are financed by the General Administration line item. This avoids the need to assess budget activities within National Forest System, Research, State and Private Forestry, Construction, and Land Acquisition appropriations for the cost of General Administration.

Discussions follow on administrative activities grouped under line management, program support, and common services. These administrative activities provide essential managerial and technical support to individuals and units involved in research and resource management and protection. These activities represent the General Administration cost which contributes to accomplishing Forest Service programs.

Line Management

		1985	1986	1987
		(Dollars in thousands)		
Washington office	$	701	715	727
	FTE	14	14	14
Field offices	$	41,949	42,545	43,265
	FTE	882	877	872
Total	$	42,650	43,260	43,992
	FTE	896	891	886

Objective

To direct, manage, and coordinate Forest Service programs to ensure they are carried out efficiently and respond to national, regional, and local needs.

Program description

Costs of the following line management positions, including secretarial support, are charged to General Administration:

- Chief, Associate Chief, and Deputy and Associate Deputy Chiefs of Administration and Programs and Legislation.
- Regional Foresters and Deputies for Administration or Deputy Regional Foresters in regions having only one primary deputy.
- Station Directors, Deputy Directors, and Assistant Directors for Planning and Applications and Support Services.
- Area Director, State and Private Forestry.
- Forest Supervisors and Deputy Forest Supervisors.
- District Rangers.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Line management	$	43,260	43,992	+732
	FTE	891	886	-5

An increase of $732,000 is proposed from the 1987 base.

The $732,000 increase is due to higher pay costs resulting from some GS/GM positions being upgraded and changes in SES grades. This increase more than offsets the FTE reduction.

Object class information

Salaries and benefits	+732
Total	+732

Program Support

Washington office		1985	1986 (Dollars in thousands)	1987
Legislative affairs	$	530	532	531
	FTE	12	12	12
Program development and budget	$	1,258	1,417	1,414
	FTE	32	31	30
RPA, environmental coordination, and policy analysis	$	1,214	1,298	1,295
	FTE	29	28	27
Personnel management	$	1,909	2,069	2,064
	FTE	59	55	51
Civil rights	$	385	391	390
	FTE	9	9	9
Volunteer and hosted human resource programs	$	308	275	274
	FTE	4	4	4
Computer science, communications, and information systems management	$	3,053	2,960	2,953
	FTE	74	72	71
Procurement and property management	$	1,019	1,057	1,054
	FTE	26	27	26
Accounting, fiscal management and law enforcement	$	1,608	1,642	1,638
	FTE	41	39	38
Management analysis and support	$	1,100	1,188	1,186
	FTE	22	25	24
Public information and involvement	$	1,385	1,348	1,345
	FTE	36	36	35
Other WO support services	$	281	344	343
	FTE	8	9	9
Total, Washington office .	$	14,050	14,521	14,487
	FTE	352	347	336
Field offices	$	102,069	97,915	97,467
	FTE	4,474	4,234	4,136
Total, program support ...	$	116,119	112,436	111,954
	FTE	4,826	4,581	4,472

Program Support

Objective

To provide the necessary support to efficiently and effectively carry out Forest Service programs and respond to the Executive Branch and Congress on policy and budget matters.

Program description

Program support funds are for salaries, travel, training, and career development of program support staffs.

Program support staffs include program planning, development, and budget; RPA coordination; information offices; personnel management; administrative services; administrative management; fiscal and accounting; civil rights; and other general-purpose support staff.

As explained under "Program Support Activities at Field Offices" at the end of this section, several Washington office staff activities described as general administration do not exist at the field level or are more readily identified with the benefiting program at that level, and are funded as such.

Legislative Affairs

Legislative affairs has the primary responsibility for analyzing proposed legislation and providing information to assist the Executive Branch and the Congress in considering and enacting needed legislation.

In carrying out this responsibility, legislative affairs personnel:

- Prepare proposals for new or amended legislation as part of the Department's legislative program (20-25 proposals per year).

- Prepare reports stating the Department's position on proposed legislation in response to requests from congressional committees or from the Office of Management and Budget (80-90 legislative reports per year).

- Prepare testimony and supporting briefing materials for Departmental witnesses in preparation for congressional hearings. Prepare followup information that committees may request (50-60 hearings per year).

- Respond to telephone requests from congressional offices for information on Forest Service programs and activities (1,000-1,500 calls per year).

- Keep Forest Service personnel informed on the status of legislation, and provide information and training for understanding the legislative process.

Program Development and Budget

Program development and budget is responsible for developing annual Forest Service budgets which reflect specific program objectives, outputs, targets, and work force and funding requirements.

The budget proposals reflect on-the-ground needs as identified in land management plans and provide the basis for presenting and justifying Forest Service programs to the Department, Office of Management and Budget, and Congress.

Once the appropriation bill is signed, work accomplishments are tracked periodically in relation to funded program objectives and output targets. At the end of the year, an evaluation of work completed and dollars obligated is prepared and presented to management. These evaluations are used as a basis for future budget development.

Tasks involved in this process are:

. Program development and analysis. Field units' develop budget proposals based on annual planning direction, land management plans, and local plans. Based on analysis of program cost effectiveness and an assessment of overall national needs, budget alternatives are developed at each organizational level and used in developing alternative national proposals for the Forest Service.

. Budget documents and presentation. Forest Service budget proposals are negotiated with the Secretary of Agriculture and the Office of Management and Budget and are incorporated into the President's annual budget. Detailed explanatory notes, witness statements, briefings, and display material are prepared to explain and justify the budget.

. Budget execution. Funds, targets, and personnel ceilings are allocated to field units according to direction in the Appropriation Act and Committee reports. Periodically, financial needs are projected and requests submitted for apportionments and outlay ceilings. Reprogramming requests are prepared. Emergency funding needs are handled as they occur during the year. Close coordination is required with sponsor agencies that transfer funds to the Forest Service to carry out such programs as Job Corps, watershed planning, and flood prevention.

. Accountability and control. Periodically, the staff reviews field units' program planning and budget activities and conducts necessary training. Quarterly, the staff analyzes program target accomplishments, relation to plans and expenditure of funds. Results are presented to line officers with recommendations for indicated action.

. Annual Report to Congress. As required by the Forest and Rangeland Renewable Resources Planning Act of 1974, an annual report is prepared to analyze Forest Service accomplishments and relevant conditions relative to the Recommended RPA Program. The report is submitted to Congress.

Resources Program and Assessment

The Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA) requires the Secretary of Agriculture to assess the Nation's renewable resources situation every 10 years. This assessment presents the future demand and supply of renewable resources on all forest and rangeland in the United States. The most recent assessment was prepared in 1979 and supplemented in 1984.

The RPA also requires the Secretary to prepare a long term Program every 5 years in response to the assessment. Based on analysis of several alternatives, cost-effectiveness, and public comments, the Secretary selects a Recommended RPA program that includes an output and funding level for Forest Service programs. The Act requires coordination with other Federal and State agencies and organizations to avoid duplication of effort. The program becomes the basis for future budget proposals. A program was sent to Congress in 1980. The 1985 program update is currently being reviewed in the Administration.

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- Train Washington Office and field personnel in NEPA responsibilities and procedures, including CEQ regulations, and Forest Service policy. During FY 1987, Service-wide implementation of revised Forest Service NEPA procedures will be monitored to attain expected increases in productivity and new efficiencies in carrying out the NEPA process. Agency proposals and their alternatives will be carefully evaluated to ensure that environmental analyses focus on the most important issues, that appropriate documentation is used when necessary, and that other NEPA requirements are met.

- Evaluate and recommend needed changes when deficiencies exist in Agency procedures for:

1. Mitigating potentially adverse impacts from proposed Agency actions.

2. Monitoring program and project implementation to ensure desired outcomes.

3. Addressing cumulative environmental effects, such as those produced when multiple development activities occur at the same time within the same geographical area.

4. Making reasoned decisions when relevant information is incomplete or uncertain.

Policy Analysis
The policy analysis staff does in-depth analysis and examines high priority policy issues. The general approach is to collect pertinent data, do an objective analysis, and develop and evaluate alternatives for consideration by policy makers. Work assignments consist of the following:

- Responding to requests from USDA, OMB, and the Congress to perform special analyses and studies on policy issues of national and/or international concern. Examples include examining the current situation and trends in recreation use and investment on National Forests, examining the use of outdoor recreation values in planning, and developing effective means to display benefits and costs associated with Forest Service timber sales.

- Development or revision of Forest Service policies in response to changing conditions and public needs. As policies are questioned, high priority policy issues are assigned to the staff to develop alternatives needed for making decisions on policy matters. Examples include analyzing costs of reforestation on NFS lands, timber sale program accounting, and community dependency on Federal timber sales.

- Evaluation of Forest Service programs to determine whether they are meeting public needs and expectations efficiently and providing public benefits. Priority program evaluations are assigned where program outcomes, efficiency, and public need analyses are required. The results are used to determine whether program changes are needed. Examples include the management of [illegible] information [illegible], a review of [illegible] analysis training, and [illegible] of recreation maintenance needs.

Personnel Management
The personnel management staff develops and manages the personnel programs of the Forest Service. This involves formulating objectives, policies, and guidelines for nationwide activities. More specifically the staff:

- Develops policies and guidelines for position classification, merit promotion, performance evaluation, internal placement, upward mobility, cooperative education, summer and seasonal employment, and special emphasis programs designated to meet the employment needs of handicapped, disadvantaged, and others covered by statute and regulations.

- Develops policies and programs to implement incentive awards, orientation, training, and planned employee development programs.

- Develops, administers, and evaluates a program of occupational health and safety for employees.

- Provides advice and assistance to field offices for all personnel functions and technical assistance concerning labor relation activities.

Civil Rights
The civil rights program supports all Forest Service activities that by law require equal employment and equal access for all citizens. Civil rights concerns are part of every major activity in the Forest Service.

The Forest Service's equal employment opportunity program objectives are: (1) to eliminate discrimination in employment for all qualified persons, and (2) to promote the full realization of equal employment opportunity through an affirmative action program.

The Agency's progress in equal employment opportunity since 1976 is as follows:

	FY 1976		FY 1984	
	Number	Percent	Number	Percent
Total employees	29,512		32,716	
Minority	2,306	7.8	3,647	11.1
Women	6,218	21.0	9,718	29.7
Total Professional	8,008		12,776	
Minority	315	3.9	676	5.3
Women	137	1.7	1,171	11.1
Total administrative-technical	3,117		15,580	
Minority	171	5.5	1,963	12.6
Women	1,355	43.5	4,162	26.7

Volunteers and Hosted Human Resource Programs
The Forest Service provides opportunities for individuals to participate in its activities through the Volunteers in the National Forests and Hosted human resource employment programs. The administration of these programs is financed from General Administration.

These programs provide opportunities which help reduce the backlog of conservation work. Some Forest Service activities which benefit from such programs are recreation, wildlife management, emergency activities, timber stand improvement, erosion control, and other land and water conservation work. In FY 1985, volunteers did work valued at $77.5 million.

Volunteers are of various ages and backgrounds. Adults are provided the opportunity to use their skills and talents in meaningful activities, and many young enrollees are given the opportunity to acquire their first gainful work experience.

In FY 1985, 45,907 persons participated in the Volunteers program. Of the total participants, 6,690 were Touch America Program (TAP) enrollees, aged 14-17. TAP is a partnership of private sector organizations sponsoring teenage youths to do conservation work. The Volunteers contributed 1,787 person-years of work valued at $22.5 million.

In hosted programs, the Forest Service serves as a host agency for cooperative programs administered primarily by State and local governments. During FY 1985, 8,603 persons participated in these cooperative programs. Participants accomplished 741 person-years of conservation work valued at $8.7 million.

Computer Sciences, Communications, and Information Systems Management
The primary objective of the Forest Service's information resources management is to improve the efficiency, effectiveness, and productivity by increasing the availability and usefulness of natural resource and administration information to Forest Service management and the public.

Support is provided through current and emerging information resources management technology, concepts, and principles to support the mission of the Forest Service at each organizational level in a cost effective manner. Specific functions are to:

- Make information more effectively serve the organization in National Forest management, research, and State and private forestry.

- Reduce costs by improving the availability and accessibility of information in support of the Forest Service mission and Resources Planning Act program goals.

- Improve communication, decisionmaking, and support for programs through the expansion of Service-wide systems for distributed processing and graphics capabilities.

- Use the latest information technology for the management of forms, reports, and records.

- Provide computer technology for information storage and retrieval.

- Reduce costs and improve operation of radio and telecommunications.

- Provide integrated information processing capabilities throughout the Agency.

Procurement and Property Management

This activity provides support to Forest Service managers for acquiring, using, and disposing of a wide variety of goods and services on time and within the framework of laws, regulations, and sound business practices. Procurement and property managers:

- Plan and direct procurement, space management, and property management programs to respond to program needs.

- Develop directives and other guidelines to conform with Federal laws and regulations.

- Provide criteria and guidelines for delegating contracting authority to subordinate units.

- Maintain liaison with vendors, manufacturers, and trade associations to stay abreast of new technology and market developments.

Accounting, Fiscal Management, and Law Enforcement

This activity is concerned with developing guidelines and implementing an integrated budget and accounting system consistent with the requirements of the General Accounting Office, Office of Management and Budget, Department of the Treasury, and Office of the Secretary of Agriculture. Specific functions are providing national guidance, oversight, and direction for:

- Financial control systems, with emphasis on fund accountability, receipt collections, voucher auditing, and disbursements.

- Financial assistance programs, including payments to States and counties consistent with laws and regulations.

- Cash and debt management activities.

- Investigations and claims for and against the Government.

- Law enforcement activities to protect Forest Service employees, natural resources, and Federal property on the National Forest System.

A major effort in FY 1987 will be to improve the financial and accounting information system to make it more responsive and more efficient for management.

Management Analysis and Support

This activity includes management improvement, organization structure and workforce evaluation, program review and audit coordination, and primary staff support to major management improvement initiatives.

- Coordinating national efforts to reduce costs and improve effectiveness through work simplification, work measurement, methods and procedures, and benefit-cost analysis.

- Providing assistance in evaluating unit consolidation proposals, major changes in organizational structure, staffing levels, and skills requirements.

- Coordinating and ensuring timely followup action on management reviews and Office of Inspector General and General Accounting Office audits. Improvement of managment controls to prevent waste, loss, and misuse, and to meet the requirements of the Federal Managers Financial Integrity Act and OMB Circular A-123.

- Establishing and adjusting rental rates for approximately 4,500 housing units each year in accordance with 5 U.S.C. 5911.

- Administering the advisory committee management program.

- Managing the employee suggestion program in accordance with P.L. 92-463 and P.L. 95-112.

- Processing applications for patents.

- Preserving and documenting historical data and materials.

- Coordinating national meetings.

Public Information and Involvement

The Forest Service's public information and involvement activities are devoted primarily to informing the public about the management of the National Forest System and about the natural resource attributes of these lands. These activities convey the results of the Agency's research activities also to a broad segment of the general public. Public involvement activities ensure that citizens are included in Forest Service policy development and decisionmaking.

The role of information dissemination in carrying out the Forest Service's mission has been prescribed in legislative authorities and directives, including the Organic Act, National Environmental Policy Act, Forest and Rangeland Renewable Resources Planning Act, and the National Forest Management Act.

To carry out these responsibilities, the Forest Service has a staff of professional specialists in press, radio, television, audiovisuals, publishing and printing, public involvement, and environmental education to provide information on subjects of major interest, as well as to transfer highly technical information to research organizations, universities, industry, and cooperators.

This staff also administers the Woodsy Owl environmental education program and carries out a variety of internal communication efforts.

Other Washington Office Support Services

The international forestry staff provides general administrative support by coordinating international forestry programs and activities with international organizations, foreign governments, other Federal departments and agencies, and nongovernment groups. This staff monitors and manages all Forest Service foreign travel, arranges Forest Service participation in international meetings, represents the Chief and top staff in interagency meetings dealing with foreign forestry affairs, serves as liaison and principal contact point with foreign countries through their embassies and consulates, and cooperates with numerous associations and societies on international forestry matters.

State and private forestry coordinates Forest Service defense and emergency operations. The Forest Service is responsible for pre-emergency preparedness and emergency operations on Federal and non-Federal lands for prevention and control of fires; production of timber from all lands; determination of damage to forested areas resulting from enemy attack or natural disaster; emergency protection, management, and utilization of National Forest resources; emergency production, availability, and utilization of timber and timber products; determining and reporting resources needed to carry out emergency activities; and defense preparedness and emergency operations relating to management and utilization of forest resources and rural fire protection.

Program Support Activities at Field Offices
Field offices have most of the program support activities and staffing previously described for the Washington office. The activities and staff occur in Region, Station, Area, and Forest Supervisors' headquarters, and to a lesser extent, at research field locations and Ranger Districts. There are some exceptions, such as RPA (except the overall coordination) and environmental coordination. These activities, when performed at locations other than the Washington office, can be readily identified with the benefiting activity and are not properly classified as general administration.

Within some of the administrative groups, activities can also be readily identified with the benefiting program and are funded accordingly. Examples are timber sale accounting, timber cost collection, and concessionaire audits performed by fiscal and accounting management groups. Conversely, positions may be located in areas other than the typical administrative units which cannot be readily identified with the benefiting program. When such administrative duties exceed 20 percent of the individual's workload, they are funded from general administration. An example is a forest fire staff officer who has safety and health responsibilities exceeding 20 percent of his or her workload.

All Ranger Districts have at least one clerk funded by general administration. Large districts may have an administrative assistant, one or two clerks, and a procurement specialist funded by general administration.

Many research field locations also have business management personnel funded from general administration. Where research locations are funded by a single research line item, however, business management support is charged directly to that program.

Job Corps Centers are further examples of funding by the benefiting program instead of general administration.

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Program support	$	112,436	111,954	-482
	FTE	4,581	4,472	-109

A decrease of $482,000 is proposed from the 1987 base. This reflects the continuing implementation of recommendations of a national administrative team appointed in response to the Administration's management improvement initiatives.

The 109 FTE reduction is part of an agreement between the Secretary of Agriculture and OMB to reduce Forest Service administrative staffing by 603 FTEs between FY 1985 and FY 1989.

Object class information

Salaries and benefits	-482
Total	-482

Common Services

	1985	1986	1987
	(Dollars in thousands)		
Rents, communications, and utilities	$ 40,144	$ 43,391	41,095
Contractual services	9,098	9,908	9,102
Equipment and supplies	15,669	17,323	13,531
Office of Workers' Compensation Program	11,569	12,247	12,772
National Finance Center	20,098	19,889	21,000
Other USDA services	3,497	3,660	3,550
Total, common services	$100,075	$106,418	$101,050

Objective

To finance those nonpersonal services that support the general administration organization or that otherwise meet the definition of General Administration in that they cannot be identified with a specific program.

Program description

Rents and Utilities

These are space rentals and utilities for facilities owned or leased by the Forest Service. General administration is responsible for that portion occupied or used by general administration personnel and equipment. Total office space owned or leased by the Forest Service is 4 million square feet. In addition, nearly 4 million square feet is covered by the standard level user charge for which payment is made to GSA. General administration pays only for its share of that space.

Communications

Communication services funded in Common Services include the transmission of messages and data from place to place, e.g., contractual charges for radio and wireless telegraph service, telephone and telegraph services, switchboard charges, telephone installation costs, and rental of teletype equipment.

Postage and mail are included in the communications category. Forest Service policy is to classify mail at the lowest rate possible consistent with the mailer's need and to manage mail to provide the most effective, economical, and reliable service. Payment for postage and mail is based on the exact amount recorded by metered mail systems.

Contractual Services

This includes obligations for budget object class 25 (other services) except those that are otherwise specifically identified, such as the National Finance Center. Included are publication of notices, tuition, operation of facilities or other service contracts, storage of household goods, office equipment repair, maintenance contracts, and automated data processing (ADP) on-line retrieval services, other services, and supplies.

Equipment and Supplies

Most general office supplies are charged to general administration because they cannot be readily identified with the user at the time they are ordered. The general administration portion of Data General equipment acquisition is included.

Office of Workers' Compensation Program (OWCP)
Administered by the Department of Labor, this program provides compensation benefits to civilian employees of the United States for disability due to personal injury sustained while in the performance of duty or for work related illness. Benefits also are provided to dependents if the illness or injury results in the employee's death.

Beginning FY 1987, those OWCP charges directly identified to fire cases will be paid from applicable fire funds. In future years, all OWCP will be paid from those program funds where injuries occurred.

National Finance Center
This USDA service center provides payment and accounting services for agencies of the Department. The Forest Service obtains such services as complete administrative payment processing, payroll computation, payment, and related reports, plus required accounting records and financial reports. Using the revolving fund financing principle, the center establishes use rates to recover costs based on the volume of documents processed for each agency. The budget for the center is included and justified in the USDA and Related Agencies Appropriation Act.

Other USDA Services
This covers the miscellaneous services provided for the Forest Service by the Department. Examples are growth capital, video film center, various personnel programs, and the design center. The costs are distributed to the agencies based on the volume of business generated by each agency.

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Common services .... $	106,418	101,050	-5,368

A decrease of $5,368,000 is proposed from the 1987 base and is summarized below.

Rents, communications, and utilities costs are expected to decline by $2,296,000. This results from a $1,296,000 reduction in GSA space costs, a $400,000 reduction in Federal Telecommunication System (FTS) costs, and a $600,000 reduction in non-GSA rents and utilities brought on by reduced space needs. U.S. Postal Service costs are expected to remain the same.

Equipment and supplies costs will be reduced by $3,792,000. This includes a $2,513,000 reduction in FLIPS acquisition from general administration funds. The balance of the reduction will result from reduced purchases of miscellaneous equipment and supplies for the General Administration organization.

The most recent USDA estimate shows an increase of $525,000 for Office of Workers' Compensation Programs.

National Finance Center costs are expected to increase by $1,111,000. This increase is offset by savings from other Department estimates, leaving a net increase of $195,000.

Object class information

Salaries and benefits (OWCP)	+525
Rent, communications, and utilities	-2,296
Supplies, materials, and equipment	-3,792
Other contractual services	+195
Total	-5,368

Forest Service/BLM Interchange

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
FS/BLM Interchange	$	--	--	--	--	5,000	+5,000
	FTE	--	--	--	--	--	--

Objective

To improve service to the public, and to improve administrative efficiency and thereby reduce the overall costs of managing Federal lands.

Program description

The Forest Service (FS) and Bureau of Land Management (BLM) each have jurisdiction over various tracts of public land in the western United States, many of which are in the same general vicinity. Likewise, the agencies have staff and offices in most of these locations to carry out the work for which they are responsible.

This budget includes funding to implement an interchange of land management assignments between the FS and BLM so a single agency will have administrative responsibility over all lands within a specific geographic area. This will result in the consolidation of a number of existing offices, improved service to the public, and more cost efficient and effective operations.

One-time administrative costs of $5,000,000 will be incurred during FY 1987 in order to implement the proposal. One-time expenses include costs of consolidation of office locations, relocation expenses for some employees, and other administrative costs necessary for such a reorganization.

Total implementation costs in FY 1987 are projected to be $7.1 million. These costs are expected to be partially offset by $2.1 million in savings that will be realized in other accounts. The $5.0 million requested represents the net of total FY 1987 costs and savings. Remaining costs ($2.1 million) will be charged to those accounts where the savings are expected to accrue.

The proposed jurisdictional interchange is currently projected to result in a decrease of 55 FTEs for the FS in FY 1987, as reflected in the overall FTE ceiling.

The costs and savings projected here are preliminary estimates, and they are expected to change as final adjustments take place. The BLM and FS are preparing a legislative proposal for the interchange that is expected to be submitted to Congress in February, 1986. Following congressional action on the proposal, it will be necessary to prepare and submit revised or amended budgets to reflect both actual implementation costs and the expected effects on the programs.

Some reprogramming adjustments within both BLM and FS accounts may be required once jurisdictions are actually transferred between agencies.

NATIONAL FOREST SYSTEM

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-1106-0-1-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
	1. Land and resource protection	453,036	425,560	360,290
	2. Renewable resource management and utilization	425,447	399,618	338,500
	3. General administration	239,677	225,122	190,595
	Total direct program	1,118,160	1,050,300	889,385
	Reimbursable program	145,235	137,000	116,000
10.00	Total obligations	1,263,395	1,187,300	1,005,385
	Financing:			
	Offsetting collections from:			
11.00	Federal funds	-105,339	-99,400	-84,200
14.00	Non-federal sources	-39,696	-37,600	-31,800
21.40	Unobligated balance available, start of year	-474	-4,746	-2,747
24.40	Unobligated balance available, end of year	4,746	2,747	2,850
25.00	Unobligated balance restored	-11,084	---	---
39.00	Budget authority	1,111,548	1,048,301	889,488
	Budget authority:			
40.0001	Appropriation	1,111,548	1,054,629	889,488
40.0002	Reduction pursuant to P.L. 99-177	---	-6,328	---
43.0001	Appropriation (adjusted)	1,111,548	1,048,301	889,488
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	1,118,360	1,050,300	889,385
72.40	Obligated balance, start of year	76,432	131,614	101,599
74.40	Obligated balance, end of year	-131,614	-101,599	-76,351
90.00	Outlays	1,063,178	1,080,315	914,633

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/Requested:			
Budget authority	1,111,548	1,048,301	889,488
Outlays	1,063,178	1,080,315	914,633
Proposed for later transmittal under proposed legislation:			
Budget authority			5,000
Outlays			4,000
Supplemental under existing legislation:			
Budget authority		165,700	.....
Outlays		165,700	.....
Reduction pursuant to P.L. 99-177:			
Budget authority		-45,077	.....
Outlays		-39,068	-6,029
Total:			
Budget authority	1,111,548	1,168,924	894,488
Outlays	1,063,178	1,206,947	912,604

NATIONAL FOREST SYSTEM

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-1106--0-1-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	479,824	489,466	423,455
11.3	Other than full-time permanent	89,388	91,151	76,348
11.5	Other personnel compensation	60,295	61,501	52,363
11.8	Special personnel service payments	15,262	15,595	12,676
11.9	Total personnel compensation	644,769	657,713	564,842
	Personnel benefits:			
12.1	Civilian	89,242	91,034	78,180
13.0	Benefits for former personnel	11,956	12,196	10,551
21.0	Travel and transportation of persons	30,111	25,545	18,692
22.0	Transportation of things	9,338	7,922	5,797
23.1	Standard level user charges	16,177	17,508	14,682
23.2	Rental payments to others	9,830	8,339	6,102
23.3	Communications, utilities, and miscellaneous charges	36,253	30,755	22,504
24.0	Printing and reproduction	4,402	3,734	2,732
25.0	Other services	172,419	116,274	107,031
26.0	Supplies and materials	53,450	45,351	33,184
31.0	Equipment	29,980	25,441	18,616
32.0	Lands and structures	7,578	6,429	4,704
41.0	Grants, subsidies, and contributions	33	25	20
42.0	Insurance claims and indemnities	309	262	192
44.0	Refunds	91	77	56
99.0	Subtotal direct obligations	1,115,904	1,048,606	887,885
99.0	Reimbursable obligations	141,235	137,000	116,000

NATIONAL FOREST SYSTEM

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-1106-0-1-302	1985 actual	1986 est.	1987 est.
ALLOCATION ACCOUNTS			
Personnel compensation:			
11.1 Full-time permanent	1,146	982	828
11.3 Other than full-time permanent	43	36	28
11.9 Total personnel compensation	1,189	1,018	856
Personnel benefits:			
12.1 Civilian	164	143	118
21.0 Travel and transportation of persons	132	63	49
22.0 Transportation of things	24	18	11
23.2 Rental payments to others	56	50	43
24.0 Printing and reproduction	82	47	36
25.0 Other services	263	209	152
26.0 Supplies and materials	166	94	69
31.0 Equipment	60	51	38
32.0 Lands and structures	5	3	0
99.0 Subtotal allocation accounts	[illegible]	[illegible]	[illegible]
99.9 Total obligations	[illegible]	[illegible]	[illegible]

Obligations are distributed as follows:			
National Forest System	[illegible]	[illegible]	[illegible]
Bureau of Land Management	[illegible]	[illegible]	[illegible]
Total	[illegible]	[illegible]	[illegible]

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NATIONAL FOREST SYSTEM

PERSONNEL SUMMARY

Identification code [illegible]	[illegible]	[illegible]	[illegible]
Direct:			
Total number of permanent positions	[illegible]	[illegible]	[illegible]
Total compensable workyears:			
Full-time equivalent employment	[illegible]	[illegible]	[illegible]
Full-time equivalent of overtime and holiday hours	[illegible]	[illegible]	[illegible]
Average ES salary	[illegible]	[illegible]	[illegible]
Average GS grade	[illegible]	[illegible]	[illegible]
Average GS salary	[illegible]	[illegible]	[illegible]
Average salary of ungraded positions	[illegible]	[illegible]	[illegible]
Reimbursable:			
Total number of permanent positions	[illegible]	[illegible]	[illegible]
Total compensable workyears:			
Full-time equivalent employment	[illegible]	[illegible]	[illegible]
Full-time equivalent of overtime and holiday hours	[illegible]	[illegible]	[illegible]
Average ES salary	[illegible]	[illegible]	[illegible]
Average GS grade	[illegible]	[illegible]	[illegible]
Average GS salary	[illegible]	[illegible]	[illegible]
Average salary of ungraded positions	[illegible]	[illegible]	[illegible]
Allocation Account:			
Total number of permanent positions	[illegible]	[illegible]	[illegible]
Total compensable workyears:			
Full-time equivalent employment	[illegible]	[illegible]	[illegible]
Full-time equivalent of overtime and holiday hours	[illegible]	[illegible]	[illegible]
Average ES salary	[illegible]	[illegible]	[illegible]
Average GS grade	[illegible]	[illegible]	[illegible]
Average GS salary	[illegible]	[illegible]	[illegible]
Average salary of ungraded positions	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

[illegible]

[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]

NATIONAL FOREST SYSTEM

PROGRAM AND FINANCING (in thousands of dollars)

Identification code: 12-1106-2-1-302		1985 actual	1986 est.	1987 est.
	Program by activities:			
10.00	Total obligations	---	---	5,000
	Financing:			
40.0001	Budget authority (appropriation)......	---	---	5,000
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	---	---	5,000
74.40	Obligated balance, end of year......	---	---	-1,000
90.00	Outlays	---	---	4,000

OBJECT CLASSIFICATION (in thousands of dollars)

		1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.3	Other than full-time permanent	---	---	500
11.9	Total personnel compensation	---	---	500
	Personnel benefits:			
12.1	Civilian..............................	---	---	300
22.0	Transportation of things	---	---	1,622
23.3	Communications, utilities, and other rent	---	---	900
24.0	Printing and reproduction............	---	---	58
25.0	Other services	---	---	1,380
26.0	Supplies and materials	---	---	240
99.9	Total obligations	---	---	5,000

Forest Service

Construction

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)				
Construction of facilities ..... $	27,862	27,284	26,111	--	11,736	-15,548	+11,736
FTE	182	179	--	--	129	-50	+129
Forest road construction ...... $	228,914	188,205	180,112	--	178,485	-9,720	+178,485
FTE	3,711	3,500	--	--	3,410	-90	+3,410
Trail construction .... $	7,093	7,033	6,731	--	4,976	-2,057	+4,976
FTE	178	176	--	--	140	-36	+140
Total ...... $	263,869	222,522	212,954	--	195,197	-27,325	+195,197
FTE	4,071	3,855	--	--	3,679	-176	+3,679

Appropriation Summary Statement

The Construction appropriation provides for acquiring, restoring, constructing, and improving buildings, utility systems, dams, recreation facilities, roads, bridges, trails, and other physical facilities. Land acquisition for administrative sites may be funded from this appropriation when it is a part of the total project costs.

Minor projects estimated to cost less than $50,000 may be financed from regular benefiting program funds.

Authorities

The Act of June 4, 1897, Organic Administration Act of 1897, as amended (16 U.S.C. 473).
Construction for administration, protection and management.
(05-96) 12-1103 302 SAGR HAGR
Such sums as appropriated; no expiration date.

P.L. 81-478, Granger-Thye Act of April 24, 1950 (16 U.S.C. 571c). Section 1.
Erect buildings, lookout towers, and other structures on non-Federal land where a long term right of use is secured.
Such sums as needed; no expiration date.

P.L. 88-657, Act of October 13, 1964, National Forest Roads and Trail Systems Act (16 U.S.C. 535). P.L. 94-588, National Forest Management Act of 1976 (16 U.S.C. 472a). P.L. 93-378 Forest and Rangeland Renewable Resources Planning Act, as amended (16 U.S.C. 1601). Section 4 (2).
Timber roads constructed by timber purchasers.
(05-96) 12-1103 302 SAGR HAGR
Such sums as appropriated; no expiration date.

P.L. 89-106, The Act of August 4, 1965 (7 U.S.C. 2250a). Section 1.
Erection and leasing of buildings, structures and land from non-Federal sources.
Such sums as appropriated; no expiration date.

P.L. 90-543, National Trails System Act, October 2, 1968, as amended by P.L. 98-11 (16 U.S.C. 1241-1251). Sections 7 and 10.
Land acquisition, exchange, donation. Management and assistance of the National Trails System.
Such sums as appropriated; no expiration date.

P.L. 95-307, Forest and Rangeland Renewable Resources Research Act, June 30, 1978, as amended (16 U.S.C. 1643(a)). Section 3.
Construction.
Such sums as appropriated; no expiration date.

P.L. 95-619, National Energy Conservation Policy Act (42 U.S.C. 8259). Section 549.
Retrofit of facilities for energy conservation.
Such sums as appropriated; expires January 1, 1990.

Construction of Facilities

(Dollars in thousands)

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
Research construction	$	1,634	393	376	--	344	+344
	FTE	2	2	--	--	2	+2
Construction for fire, administrative, and other purposes	$	14,417	15,993	15,306	--	6,492	+6,492
	FTE	67	70	--	--	49	+49
Recreation construction ...	$	11,811	10,898	10,429	--	4,900	+4,900
	FTE	113	107	--	--	78	+78
Total	$	27,862	27,284	26,111	--	11,736	+11,736
	FTE	182	179	--	--	129	+129

General

This program consists of constructing, replacing, and improving buildings and other facilities to support Forest Research, State and Private Forestry, and National Forest System (NFS) activities. Portable structures, such as trailers and modular units, that become an integral part of real property are included as a cost of the construction of facilities.

Research Construction

Objective To build and improve laboratory and other facilities needed to carry out the Forest Service research mission.

Program description Forest Service scientists are responsible for developing technology that improves productivity of the Nation's forests and rangelands.

To accomplish this task, scientists need facilities and equipment that are safe and commensurate with the type of research being performed. Adequate facilities allow greater depth in research investigations, eliminate unsafe working conditions, and permit advantages of consolidation.

Facilities are located to permit Federal scientists to interact with university scientists and to ensure a comprehensive, coordinated approach to problems. Research progress expected to accrue from adequate research facilities will increase productivity in forestry, provide for resource development and use, and conserve and protect the resource base.

Increase for 1987

		1987 Base	1987 Estimate	Increase
			(Dollars in thousands)	
Research construction ...	$	--	344	+344
	FTE	--	2	+2

A total of $344,000 is proposed.

The FY 1987 program will continue to emphasize health and safety. This includes such projects as repair of electrical wiring systems, installation of fire and smoke alarm systems, renovation of sewage and water systems, and elimination of other health and safety hazards.

The proposed research construction projects are shown in Exhibit 1.

Object class information

Salaries and benefits	+61
Supplies, materials, and equipment	+22
Land and structures	+162
Other contractual services	+99
Total	+344

Construction for Fire, Administrative, and Other Purposes (FA&O)

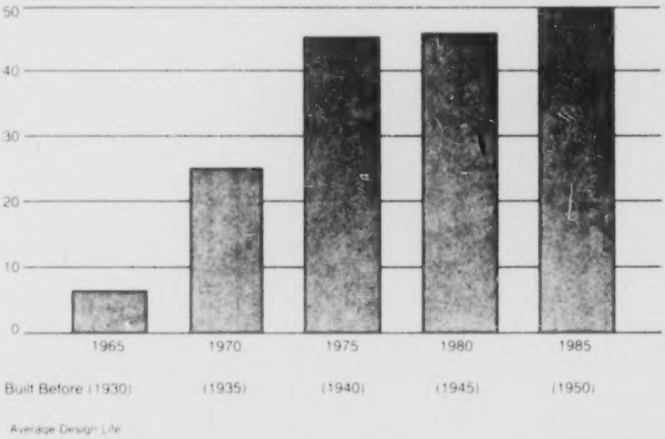
Objective

To replace, construct, and improve offices, employee housing, service and storage buildings, nursery buildings, utility systems, airports and heliports, water, sanitation, electrical systems, and similar general purpose items. To acquire and improve administrative sites and other construction projects (except recreation facilities) in support of National Forest System and State and private forestry programs.

Program description

The FY 1987 program will emphasize facility replacement and rehabilitation. This emphasis is needed because about 46 percent of the 11,200 buildings and utility systems in use by the Forest Service were built before 1940. About 50 percent exceeded their structural and functional design life in 1985, as shown in the following chart, and are no longer cost effective, since they need extensive maintenance.

Percent of FA&O Buildings Exceeding 35 Years' Age



Specific areas of construction emphasis will be:

- Health and Safety--provide safe and healthy working conditions and living environments for employees and users of National Forest facilities. This includes meeting drinking water and waste water disposal standards, providing facilities for proper use and storage of hazardous chemicals and flammables, replacing unsafe electrical wiring, and eliminating or reducing other health and safety hazards.

- Planning and Design--carry out advance facilities planning and preliminary design for projects that could be constructed within the next 3 years.

Two distinct planning steps are used to reduce the need to reprogram funds among projects: (1) Preliminary project analysis to evaluate location, investment level, and acquisition options, and to identify the most cost effective, long term combination; (2) early determination of the best project option and scope to ensure that facilities requested are designed and provided on schedule and within budgets.

Emphasis is also placed on facility master planning. This ensures coordination at the Forest level in managing and evaluating existing facilities, eliminating obsolete facilities that are no longer cost-effective, and consolidating functions and needs for more effective operation and control.

- Program Support Facilities--replace and construct facilities to furnish working and living space and to achieve resource output and protection targets. This support includes:

1. Fire management--provide facilities for fire suppression and presuppression activities, such as lookouts, air attack facilities, and fire management centers.

2. Nursery and tree improvement building construction--construct, replace, and enlarge nursery and tree improvement buildings needed to meet tree seedling production levels for the 1980s and 1990s. This includes greenhouses, headhouses, storage buildings, offices, packing sheds, etc., and integral support systems of those buildings (sewer, electrical, and water systems), including underground irrigation systems.

3. Administrative facilities--provide service and storage facilities, offices, employee housing, and related administrative site improvements to meet program needs. Housing construction and replacement will be limited to providing family housing in isolated locations and seasonal housing in areas where recruitment of seasonal employees is hampered by lack of affordable private housing. Family housing will not be constructed in locations where such housing can be rented or purchased by the employee in the private sector at a reasonable cost. Efforts will be continued to replace older facilities where maintenance is uneconomical.

4. Equal opportunity support--provide facilities that will further the equal opportunity goals in the Forest Service's affirmative action plan. Retrofit present facilities where appropriate to provide access by the handicapped and equal facilities for women and men.

5. Energy conservation--retrofit existing facilities to improve their energy efficiency as required by the National Energy Conservation Policy Act, P.L. 95-619.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Fire, administrative, and other construction .... $	--	6,492	+6,492
FTE	--	49	+49

A total of $6,492,000 is proposed.

Funding at this level will enable continued planning for future programs at a modest level and construction of the more critical high priority projects.

Unsafe and functionally obsolete facilities will receive primary consideration. Exhibit 2 lists FA&O Construction projects included in the FY 1987 program.

Object class information

Salaries and benefits	+1,496
Travel	+57
Rent, communications, and utilities	+46
Supplies, materials, and equipment	+290
Land and structures	+2,854
Other contractual services	+1,749
Total	+6,492

Recreation Construction

Objective

To repair and rehabilitate existing recreation facilities to meet health and safety standards, protect soil and water resources, improve economic efficiency, and increase fee receipts. To provide recreation opportunities appropriate to the forest setting.

Program description

The recreation program emphasis is away from recreation facilities and toward more primitive settings. It is necessary, however, to construct new facilities and reconstruct or rehabilitate existing recreation improvements to meet public demand, provide for the health and safety of forest visitors, maintain basic resources of soil and water quality, preserve past capital investment, convert utility systems to reduce maintenance costs, and qualify certain facilities for user fees.

Few of the proposed projects are new construction which would add to the total capacity of facilities on National Forest System (NFS) lands. Most are to reconstruct and replace existing recreation facilities or to complete recreation facilities begun previously.

Over $500 million was invested in NFS recreation facilities in the 1960s. Many of these facilities are approaching or have reached the end of their physical life and must be reconstructed or replaced. Most needs are for water and sewer replacement, site restoration, and recreation dam repair.

The Land and Water Conservation Fund Act (16 U.S.C. 4601) established standards which must be met before fees may be charged for recreation facilities. Recreation facility reconstruction and replacement ensures that facilities where fees are charged will continue to meet these standards and thereby remain in the fee system.

Increase for 1987

	1987 Base	1987 Estimate (Dollars in thousands)	Increase
Recreation construction .. $	--	4,900	+4,900
FTE	--	78	+78

A total of $4,900,000 is proposed.

Construction of recreation improvements will emphasize rehabilitation of water and sanitation systems. This program is responsive to the priorities identified in the FY 1980 General Accounting Office audit of NFS recreation facilities. Scheduled heavy maintenance and rehabilitation needs continue to be deferred. Deferred maintenance at the end of FY 1985 was $296 million, compared to $248 million in FY 1980.

Outlays to bring substandard facilities up to the standards required in the Land and Water Conservation Fund Act will permit charging user fees at many of these sites.

The proposed recreation construction projects are shown in Exhibit 3.

Object class information

Salaries and benefits	+2,382
Travel	+29
Supplies, materials, and equipment	+170
Land and structures	+1,438
Other contractual services	+881
Total	+4,900

Exhibit 1

FY 1987

Project Listing

Research Construction

Health and Safety -- Projects include chemical-flammable storage buildings, smoke detection systems and fire alarms, sprinkler systems, replacement of unsafe electrical wiring, rehabilitation of unsafe water systems, and the elimination of other health and safety hazards.

Station	Location	Project	Costs (Dollars in thousands)
Intermountain	Logan, UT	Build flammable storage building.	$ 30
Pacific Southwest	Station-wide	Housing improvements; electrical, water, and sewage repairs.	
	Riverside, CA	Install fumehoods.	35
Pacific Northwest	All exp. forests	Bring electrical systems to code and provide handicapped facilities.	
	Station-wide	Bring air filtration systems to standard.	
	Starkey exp. forest	Renovate water, sewage, and power systems.	40
Southern	Rio Piedras, PR Crossett, AR	Bring electrical systems to code.	40
North Central	Houghton, MI	Construct fire exit.	
	Rhinelander, WI Houghton, MI	Install smoke detection systems.	35
Rocky Mountain	Flagstaff, AZ	Replace transformer to conform to input voltage.	40
Northeastern	Delaware, OH	Replace contaminated water lines.	40
Southeastern	Olustee, FL	Bring electrical system to code.	
	Macon, GA Athens, GA Coweeta, NC Triangle Park, NC	Provide ventilation for storage buildings.	
	Olustee, FL	Monitor and remove asbestos hazards.	
	Macon, GA	Repair asbestos insulation.	
	Athens, GA Triangle Park, NC	Repair pipes and boiler.	
	Santee exp. forest	Repair electrical wiring.	40
Forest Products Laboratory	Madison, WI	Replace portions of laboratory roof and insulation.	44
		TOTAL	$344

Exhibit 2

FY 1987

PROJECT LISTING

Construction for Fire, Administrative, and Other Purposes

State	National Forest	Project	Cost of Facilities (Dollars in thousands)	Cost of Roads (Dollars in thousands)
Region 1				
	Region-wide	Planning and design.	$ 117	$
	Region-wide	Water rehabilitation and development.	80	
MT	Beaverhead	Wisdom District warehouse.	180	
MT	Gallatin	Trailer pads.	110	
MT	Kootenai	Troy District warehouse.	250	
		Total, Region 1	737	0
Region 2				
	Region-wide	Planning and design.	218	
	Region-wide	Facility master plans.	30	
CO	Rio Grande	Del Norte District office.	300	16
		Total, Region 2	548	16
Region 3				
	Region-wide	Planning and design.	66	
	Region-wide	Handicapped access.	65	
AZ	Kaibab	Jacob Lake Phase II.	311	
NM	Carson	Penasco sewer.	55	
		Total, Region 3	497	0
Region 4				
	Region-wide	Planning and design.	74	
	Region-wide	Health and safety projects.	101	
ID	Boise	Lowman administration site--Stage 2.	172	
ID	Challis	Indian Creek and Mahoney airfields.	221	
NV	Toiyabe	Supervisor's office remodeling.	138	
		Total, Region 4	706	0

State	National Forest	Project	Cost of Facilities (Dollars in thousands)	Cost of Roads (Dollars in thousands)
Region 5				
	Region-wide	Telecommunications.	$ 30	$
	Region-wide	Planning and design.	28	
CA	Shasta-Trinity	Supervisor's office colocation design.	50	10
CA	Los Padres	Big Sur work center design.	50	30
CA	Plumas	Quincy Ranger District and Zone Engineering office.	700	200
CA	Tahoe	Louis Rica interagency dispatch office.	260	
		Total, Region 5	1,118	240
Region 6				
	Region-wide	Planning and design.	162	
OR	Umatilla	Ukiah Ranger Station office.	402	6
OR	Willamette	Detroit Ranger Station barracks.	490	
OR	Fremont	Paisley Ranger Station barracks.	134	
		Total, Region 6	1,188	6
Region 8				
	Region-wide	Planning and design.	226	
LA	Kisatchie	Vernon work center.	510	28
		Total, Region 8	736	28
Region 9				
	Region-wide	Planning and design.	42	13
	Region-wide	VST support projects.	55	
MI	Hiawatha	Sault St. Marie office purchase.	265	5
WI	Nicolet	Laona office addition.	30	
IN	Wayne-Hoosier	Tell City office addition.	75	11
WV	Monongahela	Greenbrier office--Phase I.	146	37
		Total, Region 9	613	66
Region 10				
	Region-wide	Planning and design.	45	
AK	Tongass	Craig office land purchase and site preparation.	170	
		Total, Region 10	215	0
		Regional total	$ 6,358	$ 356
		Washington office	134	0
		TOTAL	$ 6,492	356 1/

1/ This amount is funded from the Forest Road Construction appropriation.

Exhibit 3

FY 1987

PROJECT LISTING

Recreation Use Construction

State	National Forest	Project	Cost of Facilities	 Roads
			(Dollars in thousands)	
Region 1				
All	Region-wide	General campground rehabilitation.	$ 20	$
All	Region-wide	Small projects.	26	
MT	All	Campground rehabilitation.	94	
MT	Flathead	Big Creek campground rehabilitation.	65	27
MT	Flathead	Talley Lake campground rehabilitation.	125	90
		Total, Region 1	330	117
Region 2				
SD	Black Hills	Cook Lake campground rehabilitation.	161	158
CO	Pike and San Isabel	Jefferson Lake campground rehabilitation.	22	158
CO	Arapaho-Roosevelt	Water and sanitation rehabilitation.	277	
CO	Routt	Dumont Lake campground, Fish Creek Falls picnic area rehabilitation.	107	109
		Total, Region 2	567	425
Region 3				
AZ	Prescott	Groom Creek water system.	25	
AZ	Tonto	Water users parking Phase II.	150	260
NM	Carson	Valle Vidal Phase I (McCrystal Creek and Shuree Ponds).	46	12
NM	Cibola	Juan Toro group site rehabilitation.	180	
		Total, Region 3	401	272

Exhibit 3 - Continued

State	National Forest	Project	Cost of Facilities	Cost of Roads
			(Dollars in thousands)	
Region 4				
All	Region-wide	Water and sanitation rehabilitation.	$ 208	$
UT	Wasatch-Cache	Mirror Lake sanitation rehabilitation.	250	
ID	Challis	Iron Bog campground rehabilitation.	124	63
		Total, Region 4	582	63
Region 5				
CA	Region-wide	Small Projects and concluding contract administration.	98	
CA	Inyo	Rock Creek, Lake George, and McGee Creek campground rehabilitation.	554	55
CA	Plumas	North Fork campground.	392	75
		Total, Region 5	1,044	130
Region 6				
OR, WA	Region-wide	Small projects.	15	
WA	Mt. Baker	Denny Creek campground rehabilitation.	55	23
OR	Siuslaw	Oregon Dunes NRA IS signing.	147	24
OR	Ochoco	Walton Lake complex reconstruction.	77	12
OR	Umpqua	Diamond Lake reconstruction.	355	308
OR	Umpqua	Diamond Lake access roads.		195
OR	Deschutes	Water and sewer rehabilitation.	71	9
		Total, Region 6	720	571
Region 8				
GA	Chattahoochee-Oconee	Anna Ruby Falls water and sanitation rehabilitation.	294	132
FL	Florida	Alexander and Juniper Springs sanitation rehabilitation.	100	
GA	Chattahoochee-Oconee	Brasstown Bald VIS center rehabilitation.	25	
KY	Daniel Boone	Trailhead parking.		45
AL, VA	Alabama G. Washington	Dam rehabilitation.	128	
TN	Cherokee	Sanitation rehabilitation.	13	
		Total, Region 8	560	177

Exhibit 3 - Continued

State	National Forest	Project	Cost of Facilities	Cost of Roads
			(Dollars in thousands)	
Region 9				
All	Region-wide	Advance survey and design.	$ 98	$ 83
All	Region-wide	Small projects.	85	
MI	Huron-Manistee	River recreation facilities.	56	
NH	White Mountain	Dolly Copp campground rehabilitation.	75	55
VT	Green Mountain	White Rock NRA and Greendale campground rehabilitation.	52	165
MO	Mark Twain	Eleven Point access construction and toilet rehabilitation.	120	35
		Total, Region 9	486	338
Region 10				
AK	Stikine	Three Lakes picnic shelters and Blind River project.	32	
AK	Stikine	Berg Bay mooring floats.	7	
AK	Chatham	Mendenhall Visitor Center rehabilitation.	150	
AK	Chatham	Starrigavin fee facility.	5	
		Total, Region 10	194	0
		Regional total	$4,884	$2,093
		Washington Office	16	0
		TOTAL	$4,900	$2,093 1/

1/ This amount is funded from the Forest Road Construction appropriation.

Forest Road Construction

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Forest road construction .. $	228,914	188,205	180,112	--	178,485	+178,485
Miles	1,858	924	--	--	808	+808
FTE	3,711	3,500	--	--	3,410	+3,410

Objective

To provide a transportation network at the lowest overall cost of construction, operation, and maintenance. To develop this transportation network in an orderly manner to accommodate the annual resource outputs identified in the budget.

Program description

Several types of roads financed in a variety of ways, serve the resource management needs of the National Forest System:

Types of Roads

- Forest Highways. Forest highways are public roads, maintained by State or local governments, that link the Federal-Aid Highway System and forest development roads. Forest highways serve both forest management needs and the needs of local communities adjacent to forest lands. These are traditionally two-lane roads built to State and Federal standards.

Forest highways are financed through the Federal Highway Act from the Federal Highway Trust Fund and administered by the Federal Highway Administration (FHwA). Priorities for project selection are set by agreement among the States, Forest Service, and FHwA. The financing level remained constant at $33 million per year from FY 1960 through FY 1982. The Highway Revenue Act of 1982 increased the authorization to $50 million through FY 1986. Extension and revision of this act is expected in FY 1986.

- Forest Roads. The Forest Service transportation system consists of the following:

  - Forest arterial roads serve large land areas and usually connect with public highways or other arterial roads to form a network of primary travel routes. Location and standards for these roads are often determined by the need for travel mobility and efficiency rather than by specific resource needs.

  - Forest collector roads serve smaller land areas and are usually connected to a forest arterial or public highway. These roads collect traffic from forest local roads. Location and standards are determined by long term resource needs and travel efficiency.

  - Forest local roads connect terminal facilities with forest collector roads, forest arterial roads, or public highways. Location and standards are usually determined by the specific resource needs the roads will serve.

Funding Programs

Construction of forest roads may be financed under any of the three programs--the purchaser credit program (PCP), the purchaser election program (PEP), or the forest road program (FRP). Usually, only forest collector or forest local roads are constructed under the purchaser credit or purchaser election program.

- Purchaser Credit Program (PCP). Under this program timber sale contracts usually require the purchaser to construct roads needed to remove the timber purchased. There are no appropriations for PCP roads. Instead, the amount of timber sales revenue received by the U.S. Treasury is reduced by an amount equal to the cost of PCP roads.

Construction under the PCP is accounted for outside of the Forest Service budget, but Congress sets a limit each fiscal year.

All costs in support of the PCP, such as survey, design, and construction engineering, are included in Forest Road Program financing (see below). Since funding for the PCP reflects only construction and reconstruction costs, it is directly related to the timber sales program for the current year.

For additional information, see "Timber Purchaser Road Construction (PCP)," later in this section.

- Purchaser Election Program (PEP). Under this program, small business timber purchasers (except in Alaska) may elect, when the timber sale contract is awarded, to have the Forest Service finance and construct any roads required by the sale, provided the cost of road construction exceeds $20,000. Funding levels are determined by the volume of timber to be offered in the current year and the projected trend of purchasers electing to have the Forest Service construct roads.

As with the PCP, the PEP funds can be used only for construction and reconstruction; funds for survey, design, and construction engineering come from the forest road program.

For additional information, see the section "Timber Purchaser Roads Constructed by the Forest Service (PEP)" under Permanent Appropriations--Working Funds.

- Forest Road Program (FRP). This program finances multipurpose road systems on or adjacent to National Forests and--because the purchaser credit and purchaser election programs finance construction or reconstruction only--planning, management, and project engineering costs for PCP and PEP as well. Most road construction funds are usually spent on roads needed for access to timber. These roads will also provide access for fishing, hunting, recreation, and fire suppression.

About 1 percent of the FY 1985 funding for FRP was programmed for recreation roads, primarily interior campground roads and short access roads to recreation sites. About 5 percent was budgeted for all-purpose and facility access roads. These projects are built in conjunction with fire, administrative, and other construction (FA&O) projects.

The following are major FRP activities:

- Planning and management--the management costs of the three programs, including non-personnel costs in addition to transportation planning necessary for forest planning. This appropriation also provides specific planning to decide road location to best fit all resource needs, regardless of how the road is funded.

- Preconstruction engineering--the survey, design, and preparation of construction plans for roads to be constructed by all three programs. The work is performed through a combination of in-house personnel and architectural and engineering contractors.

- Construction engineering--the work needed to control road construction after a contract has been awarded (including construction staking and inspection of work), to ensure contract compliance and correct payment for work performed.

- Construction and reconstruction--the actual cost of constructing and reconstructing roads and bridges. The bridge replacement program is a continuing effort resulting from the National Bridge Safety program, which identifies structures currently not meeting safety requirements for highway roads. Road reconstruction encompasses both improving existing roads to a higher standard and restoring roads to the standard to which they were originally built. Surface rock replacement is financed from reconstruction funds. Rights-of-way acquisition is also included in these costs.

- Augmentation--additional FRP funds added to PCP and PEP, to satisfy the following situations:

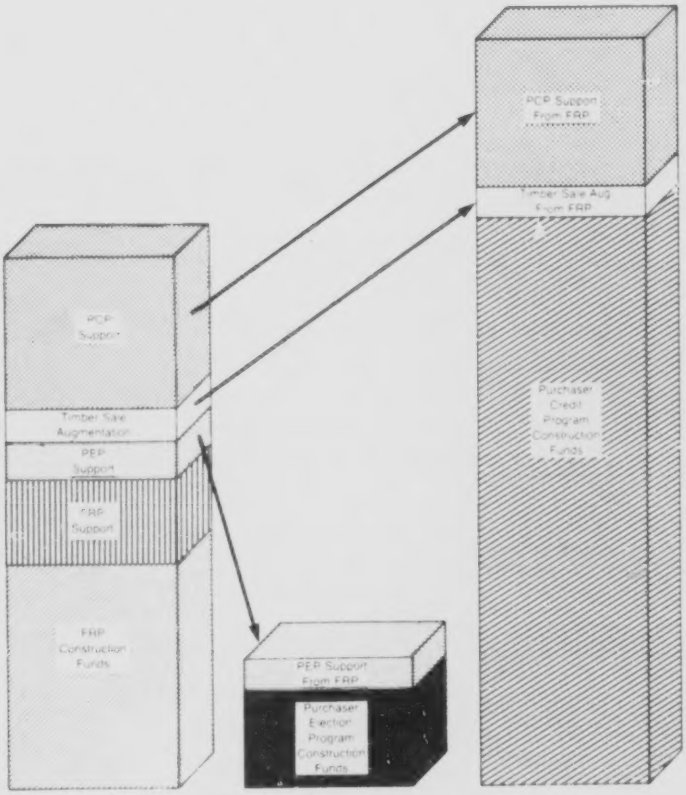
  (1) Where a specific road standard is higher than necessary to remove timber in a timber sale contract. These funds represent the differences in construction costs between the road required for timber removal and the higher standard road necessary for all resource uses.

  (2) Where the timber value is too low to provide the minimum return to the U.S. Treasury (base rates). Funds may be used to finance a portion of the road costs up to 50 percent of the normal profit margin as determined by Forest Service appraisal. This ensures an even flow of timber in depressed market conditions to communities that depend on NFS timber for economic stability.

The following chart displays how FRP funds are used to support the PCP and the PEP programs.

Typical Breakout of Forest Road Program

Dollars for Support of FRP, PCP, PEP
Programs and Residual Available for Construction


PCP Support
Timber Sale Augmentation
PEP Support
FRP Support
FRP Construction Funds
PEP Support From FRP
Purchaser Election Program Construction Funds
PCP Support From FRP
Timber Sale Aug From FRP
Purchaser Credit Program Construction Funds

Program	Forest Road Program	Purchaser Election Program	Purchaser Credit Program
Source of Funds	Appropriations	Treasury Receipts	Reduction in Payments To Treasury

Note: Support costs include Road Planning, Program Management, Construction and Preconstruction Engineering

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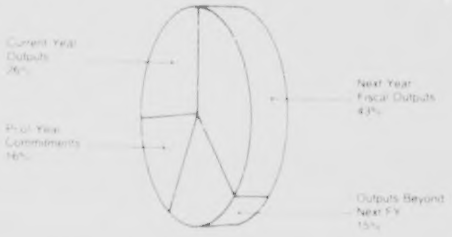
The funding needs of the Forest Road Program do not fluctuate in direct proportion to resource outputs for the same year. Roads built through the FRP often must be contracted at least one year before the timber is offered for sale.

Breakdown of FY 1986 FRP Funds by Benefiting Years



The FY 1987 budget request displayed in the following table reflects the timber volume offered in FYs 1985-87, and the reoffer of 2.6 billion board feet (part of the 9.7 BBF returned under the Federal Timber Contract Payment Modification Act of 1984). The distribution of proposed expenditures (preconstruction engineering, construction engineering, etc.) is based on the best available information concerning returned timber sales to the Forest Service, with road construction complete or partially complete.

The table also displays the FRP funding for FYs 1985-87. Support dollars are shown with the benefiting program.

Forest Road Program Fund Breakdown 1/
(Dollars in thousands)

	1985 Budget			1986 Budget		1987
	President's Budget Request	Allocated 2/ Based on Appropriation	End-of-Year Obligations	President's Budget Request	Allocated Based on Appropriation	President's Budget Request
PCP and PEP roads and bridges 3/	$(320,129)	$(226,204)	$(116,990)	$(213,211)	$(130,796)	$(169,755)
FRP engineering:						
Planning & mgmt.	35,026	37,128	35,877	36,049	32,151	30,603
Preconstruction engineering	47,520	53,547	46,661	54,495	46,125	39,269
Construction engineering	24,480	27,154	21,983	23,854	23,254	20,892
Subtotal	107,026	117,829	104,521	114,398	101,530	90,764
PCP and PEP roads and bridges augmented with FRP appropriations 4/						
Construction/ reconstruction	8,000	7,221	5,748	7,010	5,745	4,341
Subtotal	8,000	7,221	5,748	7,010	5,745	4,341
Forest roads and bridges constructed by the Forest Service						
Planning & mgmt.	25,360	15,713	27,275	16,207	22,381	23,618
Preconstruction engineering	15,240	10,475	8,424	10,528	7,835	8,404
Construction engineering	10,160	7,332	6,430	7,018	6,687	5,849
Construction	40,980	40,853	39,847	24,493	30,142	25,405
Reconstruction	25,118	30,378	36,634	15,908	13,885	20,104
Subtotal	116,858	104,751	118,610	74,154	80,930	83,380
TOTAL	$ 231,884	$ 229,801 2/	$ 228,879	$ 195,562	$ 188,205	$ 178,485

1/ This table reflects the format for the Forest Road Program (FRP) Fund Breakdown as recommended by the General Accounting Office (B-214182) February 14, 1984.

2/ Includes $228,914,000 appropriated and $887,000 carried forward from FY 1984.

3/ Dollars shown in parentheses are for PCP and PEP. Construction costs of the purchaser credit and purchaser election programs are not funded by the FRP appropriation.

4/ Breakdown between construction and reconstruction is not available.

When FRP Funds Are Used Rather Than PCP

Road construction needs are identified through transportation planning completed as part of the forest plan. These plans specify the location of arterial and collector roads, a ten-year timber harvest program, and the need for local roads based on resource management activities.

As the year of construction approaches for specific projects (such as timber sales or recreation site developments), planning describes the precise location and standards of roads needed for the project. Within the timber sale program, decisions are made 3 to 4 years in advance of the sale whether specific roads will be constructed by the timber purchasers through the PCP or by public works contracts in advance of sale offerings. Construction of roads is financed by the FRP under any of the following conditions:

- The standard of the road is greater than required to remove timber from the proposed sale. Arterial and collector roads often serve multiple resources and require higher standards.

- Total cost of a specific road is too high to be reasonably borne by the timber purchaser in special situations. An example would be access into an area with an insect infestation. The timber management objective is to salvage the timber and quell the infestation. The low value timber will not support the roads required to accomplish these objectives.

- Timber values are low, resulting in insufficient PCP funds within the sale. This condition occurs in parts of the Intermountain West and Appalachia, where community economic stability depends on local mills.

- More than one timber sale will be hauled over a proposed road at the same time. Rather than have one operator become dependent on the other for timely completion of construction, the road is built in advance from FRP funds.

Road Costs Per Mile

Efforts continue to reduce the unit cost of roads. Savings have been realized by reducing road standards (i.e., width, alignment, base, and surfacing) and by reducing contract prices through increased bidding competition.

In most cases, lowering road standards means that traffic must be managed to reduce potential conflicts in road use. For example, recreation use of forest roads may be prohibited during peak use by commercial logging trucks.

Road costs per mile vary widely depending on such factors as standards, amount of rock excavation, method of contracting, and topography. For comparison, following is the range of cost per mile for the three programs used to finance road construction in FY 1985.

AVERAGE REGIONAL COSTS PER MILE

	Range	
	Construction	Reconstruction
	(Dollars in thousands)	
Forest Road Program (FRP)	$17-133	$17-67
Purchaser Credit Program (PCP)	5-76	4-14
Purchaser Election Program (PEP)	8-50	6-21

FRP projects are the high-cost roads beyond the scope of the purchaser to construct. These are primarily arterial and collector roads, which often include permanent surfacing and can be two lanes wide. Most bridges are built from this fund and their costs are reflected in the cost per mile.

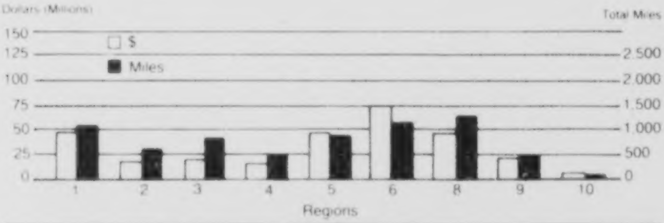
PCP roads are primarily local and collector roads, with surfacing varying from native material to crushed stone. Estimates for their cost do not include a minimum wage requirement (Davis-Bacon).

PEP costs per mile are higher than PCP for the same roads because PEP unit costs include provision for a minimum wage requirement.

The following charts show the estimated regional costs and outputs for the total road construction program for FY 1986 and the cost per mile by region.

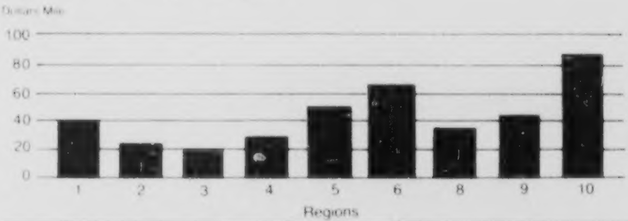
Road Progam—$ and Miles by Region—FY 1986

(FRP + PEP + PCP)



Road Program—Cost Per Mile by Region—FY 1986

Total $(FRP + PCP + PEP) Total Miles



The Forest Service is developing plans and procedures to achieve the five percent reduction in average cost per road mile compared to FY 1985 as directed in the FY 1986 Appropriations Bill. Actual FY 1985 and 1986 data will be displayed in the Report of the Forest Service-Fiscal Year 1986.

Three-year Summary of Road Construction Program 1/
(Dollars in thousands)

	FY 1985		FY 1986		FY 1987	
	$	Miles	$	Miles	$	Miles
Forest Road Program (FRP) 2/ (Actual obligation)	228,914 (228,879)	1,858	188,205	924	178,485	808
Purchaser Credit Program (PCP) 3/ (Actual obligation)	192,301 (107,887)	6,184	107,885 5/	6,758	154,321	6,037
Purchaser Election Program (PEP) 4/ (Actual obligation)	33,903 (9,103)	--	22,911	--	15,434	--
TOTAL (Actual obligation)	455,113 (345,869)	8,042	319,001	7,682	348,240	6,845

1/ Since FRP funds are also used to provide engineering support to the PEP and PCP programs, cost per mile comparisons of the three programs or three years are not valid.

2/ Projects are counted as outputs in the fiscal year the timber sale contract is awarded.

3/ Projects are counted as outputs in the year the bid for the timber sale contract is awarded.

4/ PEP miles are included in PCP.

5/ Latest estimate of actual needs. This appropriation limitation is based on the legislative authority of P.L. 97-100 rather than through appropriation language. No new limitation authority was required as sufficient prior year limitation balances were available for use in FY 1986.

Increase for 1987

	1987 Base	1987 Estimate	Increase
		(Dollars in thousands)	
Forest road construction .... $	--	178,485	+178,485
FTE	--	3,410	+3,410

A total of $178,485,000 is proposed.

This funding level will provide for construction and reconstruction of 808 miles of roads.

In addition, these funds will be used to support the management, planning, and preconstruction and construction engineering for the PCP and PEP. Outputs for these programs in FY 1986 are estimated to be 6,037 miles of construction and reconstruction. About 50 percent of the road work to be accomplished through FRP, PCP, and PEP is reconstruction.

This funding level is commensurate with the FY 1987 10 BBF timber offer, which includes 2.6 BBF resulting from the Federal Timber Contract Payment Modification Act (Public Law 98-478). Both the support for the PCP and PEP and the 808 miles to be constructed or reconstructed are of primary importance in sustaining future timber offer volume of 10 BBF.

Object class information

Salaries and benefits	+99,943
Travel	+2,396
Transportation of things	+961
Rent, communications, and utilities	+5,917
Printing and reproduction	+471
Supplies, materials, and equipment	+6,507
Land and structures	+33,606
Other contractual services	+28,684
Total	+178,485

Timber Purchaser Road Construction (PCP)

Objective To construct timber sale roads through timber operators.

Program Description The Forest Service road construction program includes construction and reconstruction performed by the timber operators through timber sale contract requirements. The timber operators earn timber credits, thereby reducing the amount they must pay for the timber.

Increase for 1987

		1987 Base	1987 Estimate (Dollars in thousands)	Increase
Timber purchaser road construction (PCP)	$	--	154,321	+154,321
	FTE	--	--	--

A total of $154,321,000 is proposed.

The $154,321,000 program level is necessary to support the 10 BBF timber offer volume, which includes 2.6 BBF to be reoffered, as a result of the Federal Timber Contract Payment Modification Act.

Timber Purchaser Roads Constructed by the Forest Service (PEP)

Objective To construct timber sale roads, through competitive bidding, for small business purchasers who elect to have the roads constructed by the Forest Service.

Program description The purchaser election program (PEP) is a part of the financing for the total Forest Service annual road program. For a road to qualify, construction costs for roads exceeding $20,000 must be included in the timber sale contract and the purchaser must be classified as a small business operator. PEP is available to all locations in the National Forest System except Alaska.

For additional information, see the section "Timber Purchaser Roads Constructed by the Forest Service" under Permanent Appropriations--Working Funds.

Trail Construction

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)			
Trail construction .... $	7,093	7,033	6,731	--	4,976	+4,976
Miles	721	838	--	--	502	+502
FTE	178	176	--	--	140	+140

Objective

To increase the opportunities for trail-related recreation and provide access to the National Forest System for administration and management.

Program description

Trails are vital to increasing the supply of cost effective recreational opportunities by offering the public access to the National Forest System with relatively small investment.

The priority for trail construction funds is reconstruction of trails that have become substandard as a result of age, heavy use, or lack of maintenance.

Reconstruction often includes such work as replacing trail bridges, developing trailhead facilities to accommodate modern vehicles, and redesigning existing trails for new uses (such as handicapped trails). The costs of these facilities can substantially increase construction unit costs because they do not generate miles of output. They are critical, however, to recreation trail use. See the "Trail Maintenance" section in the National Forest System appropriation for additional discussion.

Increase for 1987

	1987 Base	1987 Estimate	Increase
		(Dollars in thousands)	
Trail construction .... $	--	4,976	+4,976
FTE	--	140	+140

A total of $4,976,000 is proposed.

The proposed level of funding provides for priority construction and reconstruction of 502 miles of trails as necessary for increased recreation use, resource damage prevention, increased costs due to the addition of 163 new wilderness areas, and volunteer assistance under provisions of the National Trails System Act.

Object class information

Salaries and benefits	+4,103
Travel	+27
Transportation of things	+13
Rent, communications, and utilities	+66
Supplies, materials, and equipment	+77
Land and structures	+374
Other contractual services	+318
Total	+4,976

CONSTRUCTION

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-1103-0-1-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	Direct program:			
	1. Construction of facilities ...	33,124	29,090	24,177
	2. Road and trail construction ..	235,352	206,653	171,806
	3. Pollution abatement	421	369	295
	4. Land acquisition	8	5	4
	5. Mt. St. Helens timber salvage	185	160	118
	Total direct program	269,090	236,277	196,400
	Reimbursable program	1,712	2,160	1,895
10.00	Total obligations	270,802	238,437	198,295
	Financing:			
	Offsetting collections from:			
11.00	Federal funds	-55	-50	-45
14.00	Non-federal sources	-1,657	-2,110	-1,850
17.00	Recovery of prior year obligations ...	-1,394	---	---
21.40	Unobligated balance available, start of year	-249,153	-19,036	-5,281
24.40	Unobligated balance available, end of year	19,036	5,281	4,078
25.00	Unobligated balance lapsing	74,215	---	---
39.00	Budget authority	111,794	222,522	195,197
	Budget authority:			
40.0001	Appropriation	111,794	223,865	195,197
40.0002	Reduction pursuant to P.L. 99-190...	---	-1,343	---
43.0001	Appropriation (adjusted)...............	111,794	222,522	195,197
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	269,090	235,277	196,400
72.40	Obligated balance, start of year ...	138,762	133,235	129,393
74.40	Obligated balance, end of year	-133,235	-129,393	-117,028
78.00	Adjustments in unexpired accounts .	-1,394	---	---
90.00	Outlays	273,223	240,119	208,765

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority..........................	111,794	222,522	195,197
Outlays......................................	273,223	240,119	208,765
Reduction pursuant to P.L. 99-177:			
Budget authority..........................	......	-9,568	......
Outlays......................................	......	-5,665	-3,243
Total:			
Budget authority..........................	111,794	212,954	195,197
Outlays......................................	273,223	234,454	205,522

CONSTRUCTION

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-1103-0-1-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	92,051	87,153	83,213
11.3	Other than full-time permanent	9,714	9,200	8,774
11.5	Other personnel compensation	1,552	1,469	1,402
11.8	Special personnel service payments	132	128	125
11.9	Total personnel compensation	103,449	97,950	93,514
	Personnel benefits:			
12.1	Civilian	14,425	13,658	13,039
13.0	Benefits for former personnel	2,144	2,030	1,938
21.0	Travel and transportation of persons	3,865	3,272	2,329
22.0	Transportation of things	1,517	1,284	914
23.1	Standard level user charges	3,341	3,591	3,011
23.2	Rental payments to others	2,294	1,942	1,382
23.3	Communications, utilities, and miscellaneous charges	3,685	3,120	2,220
24.0	Printing and reproduction	738	625	445
25.0	Other services	51,973	42,591	30,485
26.0	Supplies and materials	6,982	5,911	4,207
31.0	Equipment	4,405	3,729	2,654
32.0	Lands and structures	66,098	55,961	39,825
41.0	Grants, subsidies, and contributions	1	1	1
42.0	Insurance claims and indemnities	567	480	342
44.0	Refunds	156	132	94
99.0	Subtotal direct obligations	265,640	236,277	196,400
99.0	Reimbursable obligations	1,712	2,160	1,895

CONSTRUCTION

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-1103-0-1-302	1985 actual	1986 est.	1987 est.
	ALLOCATION TO FEDERAL HIGHWAY ADMINISTRATION			
	Personnel compensation:			
11.1	Full-time permanent	55	---	---
11.3	Other than full-time permanent	15	---	---
11.5	Other personnel compensation	31	---	---
11.9	Total personnel compensation	101	---	---
	Personnel benefits:			
12.1	Civilian	14	---	---
13.0	Benefits for former personnel	1	---	---
21.0	Travel and transportation of persons	91	---	---
22.0	Transportation of things	36	---	---
23.2	Rental payments to others	54	---	---
23.3	Communications, utilities, and miscellaneous charges	86	---	---
24.0	Printing and reproduction	17	---	---
25.0	Other services	1,218	---	---
26.0	Supplies and materials	164	---	---
31.0	Equipment	103	---	---
32.0	Lands and structures	1,552	---	---
44.0	Refunds	13	---	---
99.0	Subtotal, allocated accounts	3,450	---	---
99.9	Total obligations	270,802	238,437	198,295

CONSTRUCTION

PERSONNEL SUMMARY

Identification code: 12-1103-0-1-302	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	3,581	3,315	3,171
Total compensable workyears:			
Full-time equivalent employment	4,025	3,811	3,638
Full-time equivalent of overtime and holiday hours	50	48	46
Average ES salary	68,043	68,043	68,043
Average GS grade	9.86	9.86	9.86
Average GS salary	27,396	27,396	27,396
Average salary of ungraded positions	23,096	23,096	23,096
Reimbursable:			
Total number of full-time permanent positions	14	13	12
Total compensable workyears:			
Full-time equivalent employment	46	44	41
Full-time equivalent of overtime and holiday hours	3	2	1
Average ES salary	68,043	68,043	68,043
Average GS grade	9.47	9.47	9.47
Average GS salary	24,562	24,562	24,562
Average salary of ungraded positions	---	---	---
Allocation Accounts:			
Total number of full-time permanent positions	2	---	---
Total compensable workyears:			
Full-time equivalent employment	3	---	---
Full-time equivalent of overtime and holiday hours	1	---	---
Average ES salary	---	---	---
Average GS grade	9.88	---	---
Average GS salary	27,500	---	---
Average salary of ungraded positions	---	---	---

Forest Service

Land Acquisition

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
				(Dollars in thousands)			
Land and Water Conservation Fund (L&WCF) .... $	50,535	28,130	26,920	--	3,206	-24,924	+3,206
Acres acquired	46,477	45,727	--	--	--	-45,727	--
FTE	79	77	--	--	70	-7	+70

Appropriation Summary Statement

The Land and Water Conservation Fund Act of September 3, 1964 (78 Stat. 897, as amended; 16 U.S.C. 4601-4 to 4601-11) provides funding for the acquisition of recreation lands and interests. The acquisitions are made under authorities of various acts and provide for high priority outdoor recreation opportunities within the National Forest System.

Authorities

P.L. 61-435, Weeks Act, March 1, 1911, as amended by P.L. 94-588 (16 U.S.C. 516, 521b). Sections 1 and 2.
Land acquisition for watershed protection and timber production.
(05-96) 12-1103 302 SAGR HAGR

P.L. 88-577, Wilderness Act, September 3, 1964. Sections 5 and 6.
Land acquisition, exchange, donation.
Such sums as appropriated; no expiration date.

P.L. 90-542, Wild and Scenic Rivers Act, October 2, 1968. Sections 6 and 16.
Land acquisition, exchange, donation.
Such sums as appropriated; no expiration date.

P.L. 90-543, National Trails System Act, October 2, 1968, as amended by P.L. 98-11 (16 U.S.C. 1241-1251). Sections 7 and 10.
Land acquisition, exchange, donation. Management and assistance of the National Trails System.
Such sums as appropriated; no expiration date.

P.L. 93-205, Endangered Species Act, December 28, 1973. Sections 2 and 3.
Protection of threatened and endangered species.

P.L. 93-622, Eastern Wilderness Act, January 3, 1975. Sections 6 and 9.
Land acquisition, exchange, donation.
Such sums as appropriated; no expiration date.

P.L. 95-442, Act of October 10, 1978 (7 U.S.C. 2269).
Donations of land or interests in land.

P.L. 96-586, Lake Tahoe Basin Act, December 23, 1980. Sections 2 and 3.
Land acquisition.
Such sums as appropriated; no expiration date.
(05-96) 12-5004-302 SENR HIIA

Additional authorities are provided in each of the acts establishing National Recreation Areas and Wildernesses, and in other specific laws.

Land & Water Conservation Fund

Objective

To acquire lands, waters, and related interests within the National Forest System for recreation, wilderness, wildlife habitat management, endangered species protection, and other important public outdoor recreation purposes.

Program description

Since the program began in 1965, nearly 1.16 million acres needed for outdoor recreation within the National Forest System have been acquired for approximately $529 million, or about $456 per acre.

Over the past 10 years, approximately 500,000 acres have been acquired at a cost of $391.9 million, for an average of $784 per acre.

Cash equalization payments may be made from benefiting funds.

Increase for 1987

	1987 Base	1987 Estimate	Increase
		(Dollars in thousands)	
Land and Water Conservation Fund ...... $	--	3,206	+3,206
FTE	--	70	+70

A total of $3,206,000 is proposed. This level of funding will provide for the closing of existing land acquisition cases in which commitments have been made.

No new acquisitions are proposed for FY 1987.

Emphasis will continue to be placed on land exchange as an alternative to land purchase, by offering non-Federal landowners the opportunity to pursue exchanges.

Object class information

Salaries and benefits	+2,362
Travel	+4
Supplies, materials, and equipment	+11
Land and structures	+797
Other contractual services	+32
Total	+3,206

LAND ACQUISITION

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5004-0-2-303	1985 actual	1986 est.	1987 est.
	Program by activities:			
00.91	Total direct program	31,306	38,000	36,000
01.01	Reimbursable program	534	---	---
10.00	Total obligations	31,840	38,000	36,000
	Financing:			
	Offsetting collections from:			
14.00	Non-Federal sources	-535	---	---
21.40	Unobligated balance available, start of year	-41,277	-60,507	-50,637
24.40	Unobligated balance available, end of year	60,507	50,637	17,843
39.00	Budget authority	50,535	28,130	3,206
	Budget authority:			
40.0001	Appropriation	50,535	28,300	3,206
40.0002	Reduction pursuant to P.L. 99-190	---	-170	---
43.0001	Appropriation (adjusted)	50,535	28,130	3,206
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	31,306	38,000	36,000
72.40	Obligated balance, start of year	17,131	6,149	3,622
74.40	Obligated balance, end of year	-6,149	-3,622	-7,832
90.00	Outlays excluding pay raise supplemental	42,288	40,527	31,790

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority	50,535	28,130	3,206
Outlays	42,288	40,527	31,790
Reduction pursuant to P.L. 99-177:			
Budget authority	.....	-1,210	.....
Outlays	.....	-484	-605
Total:			
Budget authority	50,535	26,920	3,206
Outlays	42,288	40,043	31,185

LAND ACQUISITION

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-5004-0-2-303	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	2,213	2,151	1,964
11.3	Other than full-time permanent	114	114	99
11.5	Other personnel compensation	20	20	18
11.9	Total personnel compensation	2,347	2,285	2,081
	Personnel benefits:			
12.1	Civilian	328	319	291
13.0	Benefits for former personnel	9	9	8
21.0	Travel and transportation of persons ...	127	157	149
22.0	Transportation of things	27	33	31
23.1	Standard level user charges	66	71	59
23.2	Rental payments to others	104	129	123
23.3	Communications, utilities, and miscellaneous charges	64	79	75
24.0	Printing and reproduction	14	17	16
25.0	Other services	1,121	1,386	1,317
26.0	Supplies and materials	60	74	70
31.0	Equipment	36	45	43
32.0	Lands and structures	26,991	33,381	31,723
44.0	Refunds.................................	12	15	14
99.0	Subtotal direct obligations	31,306	38,000	36,000
99.0	Reimbursable obligations	534	---	---
99.9	Total obligations	31,840	38,000	36,000

PERSONNEL SUMMARY

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions.....................	75	72	65
Total compensable workyears:			
Full-time equivalent employment	79	77	70
Full-time equivalent of overtime and holiday hours	1	1	1
Average ES salary	68,043	68,043	68,043
Average GS grade	10.98	10.98	10.98
Average GS salary	31,168	31,168	31,168
Average salary of ungraded positions	---	---	---

Forest Service

Acquisition of Lands for National Forests, Special Acts

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
Acquisition of lands for National Forests, special acts ... $	706	777	744	777	966	+189	+189
Acres acquired	368	700	--	700	595	-105	-105
FTE	1	1	--	1	1	--	--

Appropriation Summary Statement

The Congress has enacted several special laws that authorize appropriation from receipts of specified National Forests to purchase lands to minimize erosion and flood damage.

These critical watershed lands need soil stabilization and vegetative cover restoration to prevent serious erosion and damaging floods within the National Forests. Land treatment measures must be applied and subsequently maintained on all lands in these areas to make corrective action fully effective.

To ensure full program effectiveness, the Federal Government acquires the intermingled private lands. Results are reflected in improved watershed conditions.

The governments of the designated counties in Utah, Nevada, and southern California recognize the benefits from these acquisition programs and are interested in having these critical lands protected through public ownership.

Damages to the lands are occurring which can only result in future expenditures of public funds for rehabilitation and public safety that greatly exceed current costs for land acquisition.

Authorities

P.L. 76-589, 76-591, and 78-310 (54 Stat. 299 and 297 and 58 Stat. 227).
Land acquisition for watershed protection and timber production.
(05-96) 12-5208 302 SENP HIIA
Toiyabe-$10,000 annually.
Other such sums as available from the receipts of each National Forest or as appropriated; no expiration date.

Objective

To acquire lands within critical watersheds needing soil stabilization and restoration of vegetation, to prevent serious erosion and resulting damage by floods. Funds may also be used for cash equalization in land exchanges involving acquisition of these lands.

Program description

Lands are acquired from willing sellers and are managed to stabilize the soils and restore vegetative cover to prevent serious erosion and damaging floods. In the past 3 years, 848 acres have been acquired at a cost of $1,338,100.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Acquisition of lands for National Forests, special acts .... $	777	966	+189
FTE	1	1	--

An increase of $189,000 is proposed from the 1987 base. This funding level will allow acquisition of approximately 595 acres of land, 105 acres fewer than the 700 acres in FY 1986.

The increased per acre cost from $1,110 per acre in FY 1986 to $1,624 per acre in FY 1987 reflects the increased value of land in southern California.

	1985 Actual	1986 Appn.	1987 Estimate
Cache National Forest, Utah, Act of 5/11/38, as amended	$ 2,000	$ 20,000	$ 20,000
Uinta-Wasatch National Forests, Utah, Act of 8/26/35, as amended	49,000	30,000	30,000
Toiyabe National Forest, Nevada, Act of 6/25/38, as amended	10,000	10,000	10,000
Angeles National Forest, California, Act of 6/11/40	235,000	262,000	260,000
Cleveland National Forest, California, Act of 6/11/40	393,000	160,000	200,000
San Bernardino and Cleveland National Forests, California, Act of 6/15/38, as amended	17,000	295,000	446,000
Total	$706,000	$777,000	$966,000

Object class information

Land and structures	+189
Total	+189

Forest
Service

Acquisition of Lands to Complete Land Exchanges

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction 1/	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
	(Dollars in thousands)						
Acquisition of lands to complete land exchanges .... $	42	20	19	20	895	+875	+875
Acres acquired	--	30	--	30	552	+522	+522
FTE	--	--	--	--	--	--	--

1/ The $1,000 reduction is in planned obligations, since the budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

Appropriation Summary Statement

The Act of December 4, 1967 (16 U.S.C. 484a), as amended, stipulates that deposits made by public school districts, public school authorities, or State or local governments for cash equalization of certain land exchanges can be appropriated to acquire lands for National Forest System (NFS) purposes in the same State.

Authorities

P.L. 90-171, Act of December 4, 1967, Land Exchanges in the National Forests, as amended (16 U.S.C. 484a).
Acquisition of lands to complete land exchange with public schools and State and local governments.
(06-96) 12-5216 302 SAGR HAGR
Such sums as appropriated; no expiration date.

Objective

To acquire lands suitable for NFS purposes, in order to replace NFS lands acquired by public school districts, public school authorities, or State or local governments.

Program description

When it is in the public interest, public schools and State or local governments can acquire NFS lands by paying cash, which is deposited into a special U.S. Treasury fund specifically for acquiring replacement lands. When appropriated, these funds may be used within the same State to acquire replacement lands suitable for NFS purposes.

This program is cyclical, and the availability of funds depends on deposits into the fund by individual school districts or State or local governments when they acquire a tract of NFS land.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Acquisition of lands to complete land exchanges .... $	20	895	+875
Acres acquired	30	552	+522
FTE	--	--	--

A total of $895,000 is proposed. This funding level will allow for acquisition of 552 acres, 522 acres more than the 30 acres in FY 1986. The money has been deposited in a special fund by public school districts or authorities, or State or local governments, for acquisition of replacement lands.

Object class information

Land and structures	+875
Total	+875

Forest Service

Miscellaneous Trust Funds

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)						
Miscellaneous trust funds ...	$	35	89	85	89	90	+1	+1
	FTE	--	--	--	--	--	--	--

Appropriation Summary Statement

Gifts and bequests received for research, but not needed for current operations, are invested in public debt securities. This appropriation makes available to the Forest Service all such deposits to invest and reinvest in public debt securities.

Authority

P.L. 95-307, Forest and Rangeland Renewable Resources Research Act, June 30, 1978 (16 U.S.C. 1643). Section 4(b).
Acceptance of gifts and proceeds thereof not needed for current operations to be invested in public debt securities.
(05-98) 128034 SAGR HAGR
Such sums as appropriated; no expiration date.

Objective

To receive gifts and bequests and to appropriate them for forest and rangeland research.

Program description

Funds are used to present the annual heritage workshop, designed to acquaint academic instructors with the latest technology in wood utilization and engineering. Balances not needed for recurrent operations are invested in interest-bearing securities.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Miscellaneous trust funds	$	89	90	+1
	FTE	--	--	--

The proposed increase of $1,000 will restore this program to its FY 1984 level.

Object class information

Other contractual services	+1
Total	+1

Forest
Service

Range Betterment Fund

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with GRH Reduction 1/	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)				
Range Betterment fund .... $	3,964	3,798	3,635	3,798	3,800	+2	+2
FTE	64	62	---	62	62	---	---

1/ The $163,000 reduction is in planned obligations, since the budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

Appropriation Summary Statement

A range betterment program on National Forest lands within the 16 western States is financed by appropriations from grazing fee receipts.

Range betterment activities involve installing both structural and nonstructural range improvements. These include seeding and reseeding, fence construction, weed control, water development, and fish and associated wildlife habitat enhancement.

Authorities

P.L. 94-579, Federal Land Policy and Management Act of 1976, (43 U.S.C. 1751), as amended by P.L. 95-514, Public Rangelands Improvement Act of 1978 (43 U.S.C. 1751(b)(1)).
Range management use of one-half of grazing receipts from 16 western States.
[illegible]
One-half of grazing receipts per annum, no expiration date.

Objective

To arrest range deterioration and improve range forage conditions, with resulting benefits to livestock production, watershed protection, and wildlife. To make cost effective investments in range improvements on areas of highest priority on National Forest lands in the 16 western States. To the extent feasible, demonstrate sound improvement practices for use on associated private and other State and Federal lands by rehabilitating, protecting, and improving soil and vegetation cover on National Forest lands.

Program Description

These funds, when appropriated, are used for on-the-ground range rehabilitation, protection, and improvements. One-half of the funds are used on the National Forest in which the funds originated, and the other half for range betterment within that Region.

Planning and administration funds necessary to carry out the intent of the legislation are included in the "Range Management" section under National Forest System or other benefiting functions. Outputs and accomplishments, a combination of both Range Management and Range Betterment, are shown as a combined total under Range Management.

Increase for 1987

	1987 Base	1987 Estimate	Increase
	(Dollars in thousands)		
Range betterment fund ... $	3,798	3,800	+2
FTE	62	62	--

An increase of $2,000 is proposed from the 1987 base. This increase is based on 50 percent of the estimated FY 1986 grazing receipts of National Forests in the 16 western States.

The estimate of receipts was based on a grazing fee of $1.35 per animal month for the 1986 grazing fee year (the same fee that was used for 1985).

Object class information

Other contractual services	+2
Total	+2

Operation and Maintenance of Recreation Facilities

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
			(Dollars in thousands)				
Operation and maintenance of recreation facilities .... $	--	--	--	--	52,000	+52,000	+52,000
FTE	--	--	--	--	1,307	+1,307	+1,307

Appropriation Summary Statement

A program of maintaining recreation areas and facilities on NFS lands is proposed.

Authority

Proposed legislation and amendment to P.L. 88-578, Land and Water Conservation Fund Act of 1965 (16 U.S.C. 1643). Section 4b.
Such sums as are appropriated from receipts by Congress.

Objective

To manage and protect the natural resources and facilities that will accommodate the public's need for outdoor recreation, emphasizing opportunities to know and experience nature. To maintain facilities necessary to meet the rising demands for natural resource oriented recreation.

Program description

This proposed program will provide for the return of user fee receipts for operation and maintenance of recreation areas and facilities. Recreationists who enjoy National Forest System lands will receive direct benefit from the fees collected. Land and Water Conservation Fund receipts from other sources are necessary in FY 1987 to provide time for proposed legislation to be passed which will allow sufficient funds to accrue.

Receipts will be used with recreation management funds in providing 99.0 million PAOT-days (persons-at-one-time) of managed facility use.

Forest Service

Youth Conservation Corps

		1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from Base
		(Dollars in thousands)					
Youth Conservation Corps ..	$	(3,234)	(3,380)	(3,234)	(3,380)	--	(-3,380)
	FTE	--	--	--	--	--	--

Objective

To accomplish needed conservation work on public lands and waters; to provide gainful employment for 15- to 18-year-old males and females from all social, economic, ethnic, and racial classifications; and to develop an environmental understanding and appreciation during their participation in the program.

Program description

The Act of August 13, 1970 (84 Stat. 794) (16 U.S.C. 1701-06), as amended, authorizes the Youth Conservation Corps (YCC) program on Federal lands.

During FY 1985, not less than $3.2 million was earmarked from available National Forest System (NFS) funds for high priority projects to be carried out by the YCC.

The Forest Service operated a $3.7 million YCC program with NFS funds (as authorized by the 1985 Appropriation Act) serving 2,293 young people. In FY 1986, funding for the YCC program is from any funds available to the Forest Service.

Additional information on accomplishments for YCC is in the section on "Human Resource Programs."

A YCC program is not proposed for FY 1987.

Forest Service

Working Capital Fund

Appropriation Summary Statement

The Working Capital Fund was established by the Department of Agriculture Organic Act of August 3, 1956, as amended by the Act of October 23, 1962 (16 U.S.C. 579b). It is a self-sustaining revolving fund which provides services to the National Forest System, Experiment Stations, and other Federal agencies, and, as provided by law, to State and private agencies and persons who cooperate with the Forest Service in fire control and other authorized programs.

Authorities

Department of Agriculture Organic Act of 1956 (70 Stat.; 16 U.S.C. 579b).

Objective

To provide orderly and efficient financial management for the service and supply operations of the Forest Service.

Program description

The forestry-related supply and support services provided by the Working Capital Fund in FY 1985 included the following:

1. Equipment--a service that owns, operates, maintains, replaces, and repairs common-use motor driven and similar equipment. Administrative units rent this equipment at rates that recover the cost of operation, repair, maintenance, management, and depreciation. The rates also include an increment that provides additional cash which, when added to depreciation earnings and the residual value of equipment, provides sufficient funds to replace the equipment.

2. Aircraft--a service that operates, maintains, and repairs Agency-owned aircraft used in fire surveillance, suppression, and other Forest Service programs. The aircraft are rented at rates that recover the cost of depreciation, operation, maintenance, and repair. Aircraft replacement costs are financed from appropriated funds, the Forest Service Working Capital Fund, or a combination of both.

3. Supply--a service that provides the following:

- Photo reproduction laboratories which store, reproduce, and supply photographs of National Forest System lands and activities at cost.

- Sign shops which manufacture and supply special signs for use in regulating traffic and as information to the public and other users of the National Forest System.

- Subsistence facilities which prepare and serve meals for Forest Service crews working in areas where adequate public restaurant facilities are not available.

4. Tree Nurseries--a service that operates forest tree nurseries and cold storage facilities for storage of tree and seed stock and a seed extractory. The seed is procured, cleaned, bagged, and stored in refrigerated facilities, then sold to the National Forest System at cost.

Volume of business for the various major activities of the Working Capital Fund:

	1985 Actual	1986 Estimate (Dollars in thousands)	1987 Estimate
Equipment	$66,968	$69,542	$71,726
Aircraft	3,526	3,477	3,663
Supply	2,967	1,813	2,029
Nursery	14,228	15,584	15,193
Total	$87,689	$90,416	$92,611

The Working Capital Fund requires no cash appropriation. Initially, its assets were purchased by regular Forest Service appropriations and were donated to the fund.

Estimated expenditures by the Working Capital Fund are based on plans submitted by Forest Service field offices.

OTHER APPROPRIATIONS

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-9911-0-1-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	1. Acquisition of lands for Winema National Forest, Oregon	7	469	---
	2. Youth conservation corps.......	41	---	---
	3. Forest management protection and utilization..................	2	---	---
10.00	Total obligations	50	469	---
	Financing:			
	Offsetting collections from:			
14.00	Non-Federal sources..................	---	---	---
17.00	Recovery of prior year obligations...	-3,945	---	---
21.40	Unobligated balance available, start of year	-469	-469	---
24.40	Unobligated balance available, end of year	469	---	---
25.00	Unobligated balance lapsing...........	3,895	---	---
39.00	Budget authority	---	---	---
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	50	469	---
72.40	Obligated balance, start of year....	4,786	479	---
74.10	Receivables in excess of obligations, end of year........................	---	---	---
74.40	Obligated balance, end of year......	-479	---	---
78.00	Adjustment in unexpired accounts....	-3,945	---	---
90.00	Outlays	412	948	---
	Distribution of outlays by account:			
	Winema National Forest	7	948	---
	Acquisition of lands for:			
	Forest management, protection and utilization	388	---	---
	Youth conservation corps	17	---	---

OBJECT CLASSIFICATION (in thousands of dollars)

32.0	Lands and structures	50	469	---

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5208-0-2-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	1. Cache National Forest, Utah	2	20	20
	2. Wasatch National Forest, Utah.....	49	30	30
	3. Toiyabe National Forest, Nev	10	10	10
	4. San Bernardino and Cleveland National Forests, Calif	17	295	446
	5. Angeles National Forest, Calif ...	235	262	260
	6. Cleveland National Forest, Calif .	393	160	200
10.00	Total obligations	706	777	966
40.0001	Budget authority (appropriation) (special fund)	706	782	966
40.0002	Reduction pursuant to P.L. 98-473	---	-5	---
43.0001	Appropriation (adjusted)	706	777	966
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	706	777	966
72.40	Obligated balance, start of year	217	379	380
74.40	Obligated balance, end of year	-379	-380	-399
90.00	Outlays	544	776	947

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority....................	706	777	966
Outlays.............................	544	776	947
Reduction pursuant to P.L. 99-177:			
Budget authority....................	.....	-33	.....
Outlays.............................	.....	-30	-3
Total:			
Budget authority....................	706	744	966
Outlays.............................	544	746	944

ACQUISITION OF LANDS FOR NATIONAL FORESTS

SPECIAL ACTS

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-5208-0-2-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	32	32	32
	Personnel benefits:			
12.1	Civilian	4	4	4
21.0	Travel and transportation of persons	1	1	1
22.0	Transportation of things	1	1	1
25.0	Other contractual services	114	126	158
26.0	Supplies and materials	1	1	1
32.0	Lands and structures	553	612	769
99.9	Total obligations	706	777	966

PERSONNEL SUMMARY

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	1	1	1
Total compensable workyears:			
Full-time equivalent employment	1	1	1
Average ES salary	---	---	---
Average GS grade	11.68	11.68	11.68
Average GS salary	31,526	31,526	31,526
Average salary of ungraded positions	---	---	---

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5216-0-2-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
	Acquisition of land:			
	Arizona	22	20	---
	California	---	---	865
	Colorado	---	---	10
10.00	Total obligations (object class 32.0)	22	20	875
	Financing:			
17.00	Recovery of prior year obligations	-11	---	---
21.40	Unobligated balance available, start of year	-901	-932	-932
24.40	Unobligated balance available, end of year	932	932	952
40.0001	Appropriation	42	20	895
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	22	20	875
72.40	Obligated balance, start of year ...	18	23	23
74.40	Obligated balance, end of year	-23	-23	-3
78.00	Adjustment in expired accounts	-11	---	---
90.00	Outlays	6	20	895

OBJECT CLASSIFICATION (in thousands of dollars)

32.0	Lands and structures	22	20	875

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority....................	42	20	895
Outlays.............................	6	20	895
Reduction pursuant to P.L. 99-177:			
Budget authority....................	.....	.....	.....
Outlays.............................	.....	-1	.....
Total:			
Budget authority....................	42	20	895
Outlays.............................	6	19	895

RANGE BETTERMENT FUND

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5207-0-2-302	1985 actual	1986 est.	1987 est.
10.00	Total obligations	3,888	3,871	3,700
	Financing:			
17.00	Recovery of prior year obligations	-94	---	---
21.40	Unobligated balance available, start of year	-351	-523	-450
24.40	Unobligated balance available, end of year	523	450	550
40.0001	Appropriation	3,966	3,798	3,800
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	3,888	3,871	3,700
72.40	Obligated balance, start of year ...	1,144	1,018	1,057
74.40	Obligated balance, end of year	-1,018	-1,057	-957
78.00	Adjustment in expired accounts	-94	---	---
90.00	Outlays	3,920	3,832	3,800

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority....................	3,966	3,798	3,800
Outlays.............................	3,920	3,832	3,800
Reduction pursuant to P.L. 99-177:			
Budget authority....................	.....	.....	.....
Outlays.............................	.....	-131	-32
Total:			
Budget authority....................	3,966	3,798	3,800
Outlays.............................	3,920	3,701	3,768

RANGE BETTERMENT FUND

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-5207-0-2-302	1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	585	561	561
11.3	Other than full-time permanent	546	532	532
11.5	Other personnel compensation	68	65	65
11.8	Special personnel service payments	22	22	22
11.9	Total personnel compensation	1,221	1,180	1,180
	Personnel benefits:			
12.1	Civilian	130	126	126
13.0	Benefits for former personnel	43	41	41
21.0	Travel and transportation of persons	38	38	35
22.0	Transportation of things	32	32	30
23.3	Communications, utilities, and miscellaneous charges	27	27	25
24.0	Printing and reproduction	3	3	3
25.0	Other services	639	647	603
26.0	Supplies and materials	1,432	1,450	1,352
31.0	Equipment	69	70	65
32.0	Lands and structures	253	256	239
42.0	Insurance claims and indemnities	1	1	1
99.9	Total obligations	3,888	3,871	3,700

PERSONNEL SUMMARY

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	25	24	24
Total compensable workyears:			
Full-time equivalent employment	64	62	62
Full-time equivalent of overtime and holiday hours	3	3	3
Average ES salary	---	---	---
Average GS grade	8.80	8.80	8.80
Average GS salary	24,336	24,336	24,336
Average salary of ungraded positions	20,848	20,848	20,848

OPERATION AND MAINTENANCE OF RECREATION FACILITIES

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5072-2-2-302	1985 actual	1986 est.	1987 est.
10.00	Total obligations	---	---	46,800
	Financing:			
24.40	Unobligated balance available, end of year	---	---	5,200
40.0001	Appropriation	---	---	52,000
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	---	---	46,800
74.40	Obligated balance, end of year	---	---	-7,748
90.00	Outlays	---	---	39,052

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority	.....	.....	.....
Outlays	.....	.....	.....
Proposed for later transmittal under proposed legislation:			
Budget authority	.....	.....	52,000
Outlays	.....	.....	39,052
Total:			
Budget authority	.....	.....	52,000
Outlays	.....	.....	39,052

OPERATION AND MAINTENANCE OF RECREATION FACILITIES

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 12-5072-2-2-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	---	---	29,772
11.3	Other than full-time permanent	---	---	3,219
11.5	Other personnel compensation	---	---	504
11.9	Total personnel compensation	---	---	33,495
	Personnel benefits:			
12.1	Civilian	---	---	4,671
13.0	Benefits for former personnel	---	---	691
21.0	Travel and transportation of persons	---	---	716
22.0	Transportation of things	---	---	85
23.2	Rental payments to others	---	---	129
23.3	Communications, utilities, and miscellaneous charges	---	---	256
24.0	Printing and reproduction	---	---	41
25.0	Other services	---	---	7,901
26.0	Supplies and materials	---	---	390
31.0	Equipment	---	---	246
32.0	Lands and structures	---	---	1,687
42.0	Insurance claims and indemnities	---	---	32
44.0	Refunds	---	---	9
99.9	Total obligations	---	---	46,800

PERSONNEL SUMMARY

Direct:	1985 actual	1986 est.	1987 est.
Total number of full-time permanent positions	---	---	1,130
Total compensable workyears:			
Full-time equivalent employment	---	---	1,107
Full-time equivalent of overtime and holiday hours	---	---	36
Average ES salary	---	---	---
Average GS grade	---	---	
Average GS salary	---	---	27,368
Average salary of ungraded positions	---	---	---

WORKING CAPITAL FUND

PROGRAM AND FINANCING (in thousands of dollars)

Identification code: 12-4605-0-4-302	1985 actual	1986 est.	1987 est.
Program by activities:			
Direct program:			
Forestry related supply and support:			
Operating costs, funded	[illegible]	[illegible]	[illegible]
Capital investment, funded	[illegible]	[illegible]	[illegible]
10.00 Total obligations	[illegible]	[illegible]	[illegible]
Financing:			
Offsetting collections from:			
13.00 Federal funds	[illegible]	[illegible]	[illegible]
14.00 Non-Federal sources	[illegible]	[illegible]	[illegible]
21.98 Unobligated balance available, start of year: Fund balance	[illegible]	[illegible]	[illegible]
24.98 Unobligated balance available, end of year: Fund balance	[illegible]	[illegible]	[illegible]
39.00 Budget authority	[illegible]	[illegible]	[illegible]
Relation of obligations to outlays:			
71.00 Obligations incurred, net	[illegible]	[illegible]	[illegible]
72.98 Obligated balance, start of year: Fund balance	[illegible]	[illegible]	[illegible]
74.98 Obligated balance, end of year: Fund balance	[illegible]	[illegible]	[illegible]
90.00 Outlays	[illegible]	[illegible]	[illegible]

WORKING CAPITAL FUND

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-4605-0-4-302		1985 actual	1986 est.	1987 est.
	Personnel compensation:			
11.1	Full-time permanent	16,932	15,838	16,029
11.3	Other than full-time permanent	5,783	5,748	5,463
11.5	Other personnel compensation	943	953	889
11.8	Special personnel service payments	8	1	6
11.9	Total personnel compensation	23,666	22,540	22,387
	Personnel benefits:			
12.1	Civilian	2,902	2,886	2,785
13.0	Benefits for former personnel	579	876	832
21.0	Travel and transportation of persons	306	492	500
22.0	Transportation of things	318	393	427
23.1	Standard level user charges	477	512	430
23.2	Rental payments to other	575	728	739
23.3	Communications, utilities, and miscellaneous charges	1,179	1,498	1,529
24.0	Printing and reproduction	17	22	22
25.0	Other services	11,645	14,796	15,298
26.0	Supplies and materials	18,765	21,842	24,327
31.0	Equipment	20,159	27,815	26,139
32.0	Lands and structures	90	118	119
41.0	Grants, subsidies, and contribution	1	1	1
42.0	Insurance claims and indemnities	4	5	5
44.0	Refunds	11	16	14
99.0	Total obligations	81,364	91,230	95,291

Note: Personnel totals are included with personnel totals of all other Forest Service programs.

Permanent Appropriations—Working Funds

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction 1/	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
	(Dollars in thousands)						
Brush disposal							
Receipts ...... $	53,734	64,000	--	--	64,000	--	--
Planned oblig. $	41,822	48,026	45,960	48,026	47,835	-191	-191
Thousand acres	359.8	308	--	308	317	+9	+9
FTE	897	1,015	--	1,015	1,008	-7	-7
Licensee programs: Smokey Bear and Woodsy Owl							
Receipts ...... $	74	100	--	--	100	--	--
Planned oblig. $	100	100	96	100	100	--	--
FTE	1	1	--	1	1	--	--
Restoration of forest lands & improvements							
Receipts ...... $	172	100	--	--	100	--	--
Planned oblig. $	100	100	96	100	100	--	--
FTE	3	3	--	3	3	--	--
Roads & trails for States, National Forest Fund							
Receipts ...... $	(58,018)	(55,491)	--	--	(86,815)	--	--
Timber purchaser roads constructed by the Forest Service							
Receipts ...... $	33,898	22,911	--	--	15,434	-7,477	--
Planned oblig. $	33,903	22,911	21,926	--	15,434	-7,477	+15,434
FTE	13	12	--	--	12	--	+12
Timber salvage sales							
Receipts ...... $	15,232	25,000	--	--	27,000	+2,000	--
Planned oblig. $	16,055	24,000	22,968	24,000	20,713	-3,287	-3,287
FTE	530	720	--	720	671	-49	-49
Tongass timber supply fund							
Receipts ...... $	49,970	51,802	--	--	45,815	-5,987	--
Planned oblig. $	49,973	51,802	49,573	51,802	45,815	-5,987	-5,987
FTE	484	519	--	519	459	-60	-60
Operation and maintenance of Forest Service quarters							
Receipts ...... $	4,854	5,100	--	--	5,400	+300	--
Planned oblig. $	4,854	5,100	4,881	5,100	5,400	+300	+300
FTE	63	63	--	63	65	+2	+2
TOTAL							
Receipts ...... $	157,934	169,013	--	--	157,849	-11,164	--
Planned oblig. $	146,807	152,039	145,500	129,128	135,397	-16,642	+6,269
FTE	1,991	2,333	--	2,321	2,219	-114	-102

1/ Reductions are in planned obligations, since budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

Appropriation Summary Statement

This section includes the permanent appropriations which are separate Forest Service activities or which are combined with other Forest Service activities to accomplish common tasks.

Authorities

P.L. 62-430, Act of March 4, 1913 (16 U.S.C. 501) (Department of Agriculture Appropriations Act).
Forest road and trail improvements--10 percent financed from National Forest receipts.
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 64-190, Act of August 11, 1916 (Department of Agriculture Appropriations Act), as amended (16 U.S.C. 490). Section 6.
Disposal of brush and other debris due to timber sales in National Forests.
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 82-[illegible]7, Act of May 23, 1952, as amended (16 U.S.C. 580p-2). Section 3.
Forest fire prevention campaign (Smokey Bear).
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 85-464, Act of June 20, 1958 (16 U.S.C. 579c). Section 7.
Restoration, improvements, and protection of Forest Service lands.
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 93-318, Act of June 22, 1974, as amended (16 U.S.C. 580p-3). Sections 1-6.
Woodsy owl anti-pollution campaign.
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation, no expiration date.

P.L. 94-588, National Forest Management Act of 1976, October 22, 1976 (16 U.S.C. 472a(h) and (i)). Section 14(h) and (i).
Timber salvage fund for harvesting insect infested, dead, and damaged trees. Section 472a(h).
Timber purchaser roads constructed by the Forest Service. Section 472a(i).
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 96-487, Alaska National Interest Lands Conservation Act, December 2, 1980 (16 U.S.C. 539d). Section 705a.
Tongass timber supply fund to maintain timber at specified level on Tongass National Forest.
(05-96) 12-9922 302 SAGR HAGR
Permanent appropriation; no expiration date.

P.L. 98-473, Title I, Continuing Appropriations Act of 1985, Interior and Related Agency Appropriations, Title III (98 Stat. 1874; 5 U.S.C. 5911 note). Section 320.
Fund for the operation and maintenance of Forest Service Quarters.
(05-96) 12-9922 - 302 SENR HIIA
Permanent appropriation; no expiration date.

Brush Disposal

Objective

To dispose of brush and other debris resulting from cutting operations on timber sale areas in order to protect and maintain National Forest System resources.

Program description

Timber cutting usually increases the fire hazard because of the dry fuel that accumulates as logging slash. Slash may also impair reforestation, contribute to the buildup of insect populations, damage stream channels, degrade aesthetics of the forest environment, and limit recreational access.

Brush disposal may be accomplished by crushing, chipping, or burning. A combination of these methods is often used.

When disposal of brush and other debris from timber sale operations is necessary, National Forest timber sale contracts require treatment or deposit of funds for treatment of debris. When economical and expedient, the work is performed by the timber purchaser. The work can also be carried out by the Federal Government using deposits collected from the purchaser to cover costs of the work. This activity is authorized under Section 6 of the Act of April 24, 1950 (16 U.S.C. 490).

Decrease for 1987

		1987 Base	1987 Estimate	Decrease
		(Dollars in thousands)		
Brush disposal	$	48,026	47,835	-191
	FTE	1,015	1,008	-7

A decrease of $191,000 is proposed from the 1987 base.

This level of funding will provide for the treatment of 317,000 acres of National Forest lands where timber harvest has been completed and where the resulting fuels have been determined ready for treatment.

Treatment costs for brush disposal work are expected to decrease from $156 per acre in FY 1986 to $151 per acre in FY 1987. This decrease is due to the selection of timber sale areas that are generally less difficult to treat and to the mix of selected projects among Regions. The cost of treatment has generally stabilized after a series of changes due to higher air quality requirements, fuel treatment standards, and site preparation needs. The Forest Service is continuing its efforts to reduce unit costs of brush disposal work.

Object class information

Salaries and benefits	-167
Supplies, materials, and equipment	-11
Other contractual services	-13
Total	-191

Licensee Programs—Smokey Bear and Woodsy Owl

Objective

To prevent forest fires and promote environmental quality.

Program description

Fees for the use of the Smokey Bear and Woodsy Owl characters by private enterprises are collected under regulations formulated by the Secretary of Agriculture. They are available for the following:

- Smokey Bear--to further the nationwide forest fire prevention campaign (16 U.S.C. 580p).

- Woodsy Owl--to promote wise use of the environment, and programs that foster maintenance and improvement of environmental quality (16 U.S.C. 580p).

No change from 1987

Restoration of Forest Lands and Improvements

Objective

To complete all necessary work to return National Forest System lands to optimum production in a timely manner.

Program description

This program includes recoveries from cash bonds or forfeitures under surety bonds by permittees or timber purchasers who fail to complete performance or improvement, protection, or rehabilitation work required under the permit or timber sale contract.

The recovered funds are used to cover the cost to the Government of completing the work on National Forest System lands. Funds received as settlement of a claim are used for improvement, protection, or rehabilitation made necessary by the action which led to the cash settlement (Act of June 20, 1958, 16 U.S.C. 579c).

No change from 1987

Roads and Trails for States—National Forest Fund

Objective

To offset appropriations for road and trail improvements.

Program description

Under the Act of March 4, 1913 (16 U.S.C. 501), 10 percent of National Forest receipts are made available to build and maintain roads and trails within the National Forests in the States where the receipts were collected. This permanent appropriation has been transferred to the General Fund since 1982 to offset appropriations. The amounts shown in the table at the beginning of this section are actual for 1985 and 1986, and estimated (based on 1986 receipts) for 1987.

Timber Purchaser Roads Constructed by the Forest Service (PEP)

Objective

To build timber sale roads on the National Forests for small business purchasers who elect to have the roads built by the Forest Service.

Program description

This program, referred to as the Purchaser Election Program (PEP), is part of the financing of the annual total Forest Service road program.

For a road to qualify, construction costs exceeding $20,000 must be included in the timber sale contract, and the purchaser must be classified as a small business operator. The PEP program is available to all locations in the National Forest System except the State of Alaska. Authority cited at 16 U.S.C. 472a(i) makes funds available from timber receipts.

Increases or decreases in mileage constructed through the PEP are offset by decreases or increases in the Purchaser Credit Program (PCP). Costs differ between Purchaser Credit and Purchaser Election funds only by the increase from including Davis-Bacon minimum wage rate requirements in competitively bid construction contracts funded by PEP.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Timber purchaser roads constructed by the Forest Service	$	--	15,434	+15,434
	FTE	--	12	+12

A total of $15,434,000 is proposed.

The $15,434,000 funding level is based on recent experience with this fund and the decrease in road construction as a result of the Federal Timber Contract Payment Modification Act. The mileage associated with PEP is estimated to be 660 miles, but the actual mileage will be unknown until after the sales are awarded.

The Forest Service has no control on the demand for PEP funds. Timber purchasers who qualify as small businesses can elect to require the Forest Service construct or reconstruct qualifying roads.

Object class information

Salaries and benefits	+366
Travel	+18
Transportation of things	+7
Rent, communications, and utilities	+75
Supplies, materials, and equipment	+169
Lands and structures	+14,427
Other contractual services	+372
Total	+15,434

Timber Salvage Sales

Objective

To salvage insect-infested, dead, damaged, or down timber, and to remove associated trees for stand improvement.

Program description

This program is part of the timber sales program.

A separate permanent appropriation for timber salvage was established for this program as a result of the National Forest Management Act of 1976, 16 U.S.C. 472a(h). Part of the receipts from timber salvage sales are deposited in this account and used to prepare and administer future salvage sales.

Separate appropriations of $3 million each in FY 1977 and FY 1979 were used as "seed money" to accelerate the establishment of timber salvage sales as a self-sustaining permanent appropriation.

Some of the sales prepared with these funds are set aside for preferential award to small business firms with 25 or fewer employees.

	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
	(Billion board feet)		
Salvage volume from sale administration and management	.5	.9	1.1
Timber salvage sale volume	1.0	.9	.8
Total salvage volume	1.5	1.8	1.9

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Timber salvage sales ..... $	24,000	20,713	-3,287
FTE	720	671	-49

A decrease of $3,287,000 is proposed from the FY 1987 base.

This level of funding provides for advance sales preparation, necessary timber support, and transportation system design work necessary to prepare and offer 810 million board feet of salvage volume. This is about 90 million board feet less than the FY 1986 program of 900 million board feet.

These funds also provide for the full administration of salvage sales made in previous years. Because of past severe storms in the Pacific Northwest, the continued spread of the mountain pine beetle in the Rocky Mountains and the southern pine beetle, the number of timber salvage sales has been increasing as much as the amount of collections from previous sales will allow. The timber salvage sales are designed for rapid removal of the defective materials within one to two operating seasons.

Object class information

Salaries and benefits	-1,215
Travel	-163
Transportation of things	-98
Rent, communications, and utilities	-314
Supplies, materials, and equipment	-419
Other contractual services	-1,078
Total	-3,287

Tongass Timber Supply Fund

Objective

To maintain the timber supply from the Tongass National Forest at a rate of 4.5 billion board feet per decade as provided by 16 U.S.C. 539d.

Program description

Funding for this special account is derived from receipts collected by the Secretary of the Interior and the Secretary of Agriculture. Funds provide for timber sale preparation and administration,including protective measures for wildlife, fisheries, and soil and water resources.

The levels of timber management planning, silvicultural examination, and investments in timber stand improvements, reforestation, roads, facilities, and research are commensurate with sustaining the timber supply from the Tongass National Forest at 4.5 billion board feet per decade (see Exhibit 1 at end of this section).

Decrease for 1987

	1987 Base	1987 Estimate	Decrease
	(Dollars in thousands)		
Tongass Timber Supply Fund .... $	51,802	45,815	-5,987
FTE	519	459	-60

A decrease of $5,987,000 is proposed from the FY 1987 base.

Funding at this level will provide for the preparation and offer of 424 million board feet of timber sales. This continues timber sales at the current level, with less emphasis on facility construction and advance road construction.

Road construction and reconstruction will total $11,436,000, and include 33 miles of road for access to future timber sale areas. Multiple use coordination will continue to be emphasized.

Forestry research will emphasize the essential information needs on attainable growth rates, yields, and the applicability of partial cutting and other harvesting practices on sensitive areas without adverse impacts on other resources.

Since successful natural regeneration can be obtained on almost all areas harvested, reforestation in 1987 will be limited to monitoring previous years' plantings, continuing the tree improvement program, and maintaining facilities.

Timber stand improvement work will be done on 6,300 acres in FY 1987, compared to 7,800 acres in FY 1986.

Facilities construction in FY 1987 will be carried out as follows:

	Project	Amount (Dollars in thousands)
Forest-wide	Planning survey and design of out-year projects	$ 464
Stikine	Wrangell warehouse	295
Stikine	Wrangell barracks	354
Stikine	Wrangell vehicle storage area and fence	110
	TOTAL	$1,223

Object class information

Salaries and benefits	-2,258
Travel	-411
Transportation of things	-91
Rent, communications, and utilities	-349
Supplies, materials, and equipment	-210
Lands and structures	-1,715
Other contractual services	-953
Total	-5,987

Exhibit 1

Tongass Timber Supply Fund

(Dollars in thousands)

		1985	1986	1987
Timber sales preparation 1/	$	10,459	8,919	9,885
	MMBF	(450)	(424)	(424)
Timber sales administration	$	3,241	3,206	3,530
Timber support	$	2,537	2,846	3,376
Reforestation	$	565	182	138
	Acres	363	140	--
Timber stand improvement	$	2,359	3,802	3,423
	Acres	8,269	7,800	6,300
Facilities construction.	$	2,516	1,921	1,223
Road construction	$	14,718	16,236	11,436 4/
	Miles	45.0	80	33
Engineering support	$	11,534	12,615	10,729
Research	$	2,044	2,075	2,075
TOTAL, Tongass timber supply fund		49,973	51,802	45,815
Purchaser road construction 2/	$	(15,200)	(18,328)	(30,268)
	Miles	47.9	121	193
Ref/TSI (K-V) 3/	$	401	435	569
	Acres	836	870	1,003
TOTAL	$	50,374	52,237	46,384

1/ Includes timber management planning and silvicultural examinations.

2/ Timber purchaser road construction is an off-budget line item that is not reflected in totals. Figures in parentheses indicate dollar limitations set for purchaser construction, which are reflected in the Construction appropriation limitation.

3/ Not included in the Tongass Timber Supply Fund appropriation, but under K-V Trust Funds.

4/ Includes $4.3 million for augmenting timber purchaser road construction to timber stands of a quality not anticipated in the Forest plan. Mileage is included under Purchaser Road Construction.

Operation and Maintenance of Quarters

Objective

To operate and maintain employee quarters.

Program description

Under authority of Public Law 98-473 (5 U.S.C. 5911 note), a permanent fund was established for deposit of Forest Service employees payroll deductions for quarters rental. Funds are used to operate and maintain employee quarters on the unit from which collected. These funds are in addition to the maintenance of facilities funds in the NFS appropriation.

The cost of maintenance and management of water, waste-water disposal systems, and similar facilities in common with administrative use is prorated among contributing activities.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Operation and maintenance of Forest Service quarters	$	5,100	5,400	+300
	FTE	63	65	+2

An increase of $300,000 is proposed from the 1987 base.

This level is based on estimated receipts from employee quarters rental deductions for FY 1987.

Object class information:

Salaries and benefits	+52
Travel	+4
Rent, communications, and utilities	+27
Supplies, materials, and equipment	+140
Other contractual services	+77
Total	+300

Forest Service

Permanent Appropriations— Payment Funds

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction [1]	1987 Base	1987 Estimate [2]	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
Payment to Minnesota	$ 716	716	--	716	716	--	--
Payments to counties, National Grasslands	$ 10,047	14,661	--	14,661	5,600	-9,061	-9,061
Payments to States, National Forest Fund	$ 224,937	212,241	--	212,241	78,574	-133,667	-133,667
Total payments	$ 235,700	227,618	217,830 [1]	227,618	84,890	-142,728	-142,728

[1] Reductions are in planned obligations, since budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177. Due to uncertainty as to how payments already made will be reduced, the final distribution of the total payments is unknown at this time.

[2] The payments to States and counties in FY 1987 reflect the assumption that proposed legislation will change the program from receipts sharing to a net receipt basis.

Authorities

P.L. 60-136, Act of May 23, 1908, Department of Agriculture Appropriations Act, as amended (16 U.S.C. 500).
    Payments to States, National Forest Fund.
        (05-96) 12-9921 852   SENR   HAGR   SAGR   HIIA
    Twenty-five percent of monies received; no expiration date.

P.L. 71-539, Shipstead-Nolan Act of July 10, 1930, as amended by P.L. 95-495 (16 U.S.C. 577g). Section 5.
    Payment to Minnesota for land purchase in Superior National Forest.
        (05-96) 12-9921 852   SAGR   HAGR
    Such sums from National Forest Fund equal to three-fourths of 1 percent of the fair appraised value of the lands; no expiration date.

P.L. 75-210, Bankhead-Jones Farm Tenant Act, July 22, 1937, as amended, (7 U.S.C. 1012). Section 33.
    Payments to counties where National Grasslands are located.
        (05-96) 12-9921 852   SAGR   HAGR
    Such sums from receipts equal to 25 percent of net revenues; no expiration date.

Payments to Minnesota

Objective To provide a special annual payment to the State of Minnesota for lands in the Boundary Waters Canoe Area as specified by law.

Program description At the close of each fiscal year, the State of Minnesota is paid 0.75 percent of the appraised value of certain Superior National Forest lands in the counties of Cook, Lake, and St. Louis, for distribution to these counties (16 U.S.C. 577g).

Payments to Counties, National Grasslands

Objective To provide an annual payment to the counties in which the National Grasslands and Land Utilization Projects are located, for funding schools and roads.

Program description Of the net revenues received for the use of National Grasslands, 25 percent is paid to the counties in which such lands are situated, for school and road purposes (7 U.S.C. 1012).

Under current legislation, an estimated $22,904,000 would be paid to the counties in FY 1987. We are proposing legislation that will decrease this payment to $1,620,000, a savings of $21,284,000. Receipts from grazing and recreation will continue to be shared as they are under current legislation. Receipts from minerals, timber, land uses, and power will be shared on a net receipts basis.

Payments to States, National Forest Fund

Objective To provide an annual payment to the States from National Forest receipts to be used for schools and roads.

Program description With few exceptions, 25 percent of all monies received from the National Forests during the fiscal year is paid to the States in which the forests are located, to benefit public schools and public roads in the county or counties with the National Forests (16 U.S.C. 500).

The National Forest Management Act of 1976 (P.L. 94-588, October 22, 1976) expanded the term "monies received" to include all collections from sale area improvement activities plus "all amounts earned or allowed any purchaser of National Forest timber and other forest products within such State . . . for construction of roads." The amount of this appropriation varies in direct proportion to National Forest receipts, sale area improvement collections, and timber purchaser construction during the previous fiscal year.

The Wood Residue Utilization Act of 1980 (Public Law 96-554) which expires September 30, 1986, further expanded the term "monies received" to include any wood residue credit applied under the Act, as well as sales of wood residues (less the sum of any residue credit applied, plus any costs the Forest Service incurred in processing and storing such residues).

Under current legislation, an estimated $291,036,000 would be paid to the States in FY 1987. We are proposing legislation that will decrease this payment to $71,574,000, a savings of $219,462,000. Receipts from grazing and recreation will continue to be shared as they are under current legislation. Receipts from timber, land uses, power, and minerals will be shared on a net receipts basis. Purchaser credits earned and allowed and Knutson-Vandenberg deposits will not be shared with the States.

FOREST SERVICE PERMANENT APPROPRIATIONS

PROGRAM AND FINANCING (In thousands of dollars)

Identification code [illegible]		[illegible] actual	[illegible] est.	[illegible] est.
	Program by activities:			
	Direct program:			
	1. Expenses, [illegible]	[illegible]	[illegible]	[illegible]
	2. Licensee programs, Forest Service	[illegible]	[illegible]	[illegible]
	3. Restoration of forest lands and improvements	[illegible]	[illegible]	[illegible]
	4. Timber purchaser road construction by Forest Service	[illegible]	[illegible]	[illegible]
	5. Timber salvage sales	[illegible]	[illegible]	[illegible]
	6. Tongass timber supply fund	[illegible]	[illegible]	[illegible]
	Total direct program	[illegible]	[illegible]	[illegible]
	Reimbursable program	[illegible]	[illegible]	[illegible]
10.00	Total obligations	[illegible]	[illegible]	[illegible]
	Financing:			
	Offsetting collections from:			
11.00	Federal funds	[illegible]	[illegible]	[illegible]
14.00	Non-Federal sources	[illegible]	[illegible]	[illegible]
21.00	Unobligated balance available, start of year	[illegible]	[illegible]	[illegible]
24.00	Unobligated balance available, end of year	[illegible]	[illegible]	[illegible]
60.00	Budget authority (appropriation) (permanent, indefinite, special funds)	[illegible]	[illegible]	[illegible]
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	[illegible]	[illegible]	[illegible]
72.00	Obligated balance, start of year	[illegible]	[illegible]	[illegible]
74.00	Obligated balance, end of year	[illegible]	[illegible]	[illegible]
90.00	Outlays	[illegible]	[illegible]	[illegible]
	Distribution of budget authority by account:			
	Expenses, brush disposal	[illegible]	[illegible]	[illegible]
	Licensee programs, Forest Service	[illegible]	[illegible]	[illegible]
	Restoration of forest lands and improvements	[illegible]	[illegible]	[illegible]
	Timber purchaser road construction by Forest Service	[illegible]	[illegible]	[illegible]
	Timber salvage sales	[illegible]	[illegible]	[illegible]
	Tongass timber supply fund	[illegible]	[illegible]	[illegible]
	Distribution of outlays by account:			
	Expenses, brush disposal	[illegible]	[illegible]	[illegible]
	Licensee programs, Forest Service	[illegible]	[illegible]	[illegible]
	Restoration of forest lands and improvements	[illegible]	[illegible]	[illegible]
	Timber purchaser road construction by Forest Service	[illegible]	[illegible]	[illegible]
	Timber salvage sales	[illegible]	[illegible]	[illegible]
	Tongass timber supply fund	[illegible]	[illegible]	[illegible]

FOREST SERVICE PERMANENT APPROPRIATIONS

Identification Code: 12-9922-0-2-302	1985 actual	1986 est.	1987 est.

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority	153,285	146,939	129,987
Outlays	122,914	150,311	135,189
Reduction pursuant to P.L. 99-177:			
Budget authority	....		
Outlays	....	-4,327	-2,493
Total:			
Budget authority	153,285	146,939	129,987
Outlays	122,914	145,984	132,696

FOREST SERVICE PERMANENT APPROPRIATIONS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-9922-0-2-302		1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	31,368	36,930	35,051
11.3	Other than full-time permanent	9,812	11,554	10,958
11.5	Other personnel compensation	3,407	4,018	3,813
11.8	Special personnel service payments	78	78	78
11.9	Total personnel compensation	44,665	52,580	49,900
	Personnel benefits:			
12.1	Civilian	12,683	12,576	11,935
13.0	Benefits for former personnel	1,212	1,427	1,354
21.0	Travel and transportation of persons	3,025	4,379	6,465
22.0	Transportation of things	873	1,409	2,080
23.1	Standard level user charges	2,069	2,224	1,865
23.2	Rental payments to others	619	896	1,323
23.3	Communications, utilities, and miscellaneous charges	1,877	2,717	4,011
24.0	Printing and reproduction	367	531	784
25.0	Other services	11,991	20,110	29,691
26.0	Supplies and materials	3,626	5,249	7,750
31.0	Equipment	1,412	2,043	3,016
32.0	Lands and structures	16,438	23,752	35,068
41.0	Grants, subsidies, and contributions	7	3	4
42.0	Insurance claims and indemnities	67	90	133
44.0	Refunds	10	14	21
99.0	Subtotal direct obligations	100,900	130,000	155,400
99.0	Reimbursable obligations: Other services	.....	15	13
99.9	Total obligations	100,900	130,015	155,413

FOREST SERVICE PERMANENT APPROPRIATIONS

PERSONNEL SUMMARY

Identification code: 12-9922-0-2-302	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	1,346	1,549	1,473
Total compensable workyears:			
Full-time equivalent employment	1,928	2,270	2,154
Full-time equivalent of overtime and holiday hours	132	155	141
Average ES salary	68,043	68,043	68,043
Average GS grade	8.84	8.84	8.84
Average GS salary	24,605	24,605	24,605
Average salary of ungraded positions	25,674	25,674	25,674

OPERATION AND MAINTENANCE OF QUARTERS

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-5219-0-2-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
10.00	Total obligations	3,925	5,293	5,500
	Financing:			
21.40	Unobligated balance start of year	---	-929	-736
24.40	Unobligated balance, end of year	929	736	636
	Permanent:			
60.0001	Appropriation (permanent, special fund)	4,854	5,100	5,400
	Relations of obligations to outlays:			
71.00	Obligations incurred, net	3,925	5,293	5,500
72.40	Obligated balance available, start of year	---	693	935
74.40	Obligated balance, end of year	-693	-935	-1,095
90.00	Outlays	3,232	5,051	5,340

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority......................	4,854	5,100	5,400
Outlays................................	3,232	5,051	5,340
Reduction pursuant to P.L. 99-177:			
Budget authority......................	.....	.....	.....
Outlays................................	.....	-175	-44
Total:			
Budget authority......................	4,854	5,100	5,400
Outlays................................	3,232	4,876	5,296

OPERATION AND MAINTENANCE OF QUARTERS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-5219-0-2-302		1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	1,004	1,004	1,029
11.3	Other than full-time permanent	453	453	472
11.5	Other personnel compensation	23	23	23
11.8	Special personnel service payments	3	---	---
11.9	Total personnel compensation	1,483	1,480	1,524
	Personnel benefits:			
12.1	Civilian	184	184	189
21.0	Travel and transportation of persons	26	42	44
22.0	Transportation of things	12	19	20
23.2	Rental payments to others	20	32	33
23.3	Communications, utilities, and miscellaneous charges	213	342	357
25.0	Other services	747	1,199	1,251
26.0	Supplies and materials	1,133	1,823	1,903
31.0	Equipment	16	26	27
32.0	Lands and structures	77	124	129
41.0	Grants, subsidies, and contributions	1	2	2
42.0	Insurance claims and indemnities	4	6	6
44.0	Refunds	9	14	15
99.9	Total obligations	3,925	5,293	5,500

PERSONNEL SUMMARY

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of permanent positions	41	40	42
Total compensable workyears:			
Full-time equivalent employment	63	63	65
Full-time equivalent of overtime and holiday hours	---	---	---
Average ES salary	---	---	---
Average GS grade	8.87	8.87	8.87
Average GS salary	24,814	24,814	24,814
Average salary of ungraded positions	24,444	24,444	24,444

FOREST SERVICE PERMANENT APPROPRIATIONS

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-9921-0-2-852	1985 actual	1986 est.	1987 est.
	Program by activities:			
	1. Payment to Minnesota	716	716	716
	2. Payments to counties, National Grasslands	10,046	14,661	10,954
	3. Payments to State, National Forests fund	224,937	212,241	298,036
10.00	Total obligations (object class 41.0)	235,699	227,618	309,706
	Financing:			
60.00	Budget authority (appropriation) (permanent, indefinite, special funds)	235,699	227,618	309,706
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	235,699	227,618	309,706
90.00	Outlays	235,699	227,618	309,706
	Distribution of budget authority by account:			
	Payment to Minnesota	716	716	716
	Payment to counties, National Grasslands	10,046	14,661	10,954
	Payment to States, National Forests Fund	224,937	212,241	298,036
	Distribution of outlays by account:			
	Payment to Minnesota	716	716	716
	Payment to counties, National Grasslands	10,046	14,661	10,954
	Payment to States, National Forests Fund	224,937	212,241	298,036

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/Requested:			
Budget authority	235,699	227,618	309,706
Outlays	235,699	227,618	309,706
Proposed for later transmittal under proposed legislation:			
Budget authority	.....	.....	-224,816
Outlays	.....	.....	-224,816
Reduction pursuant to P.L. 99-177:			
Budget authority	.....	.....	.....
Outlays	.....	-9,788	.....
Total			
Budget authority	235,699	227,618	84,890
Outlays	235,699	217,830	84,890

FOREST SERVICE PERMANENT APPROPRIATIONS

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 12-9921-2-2-852	1985 actual	1986 est.	1987 est.
10.00	Total obligations (object class 41.0)	---	---	-224,816
	Financing			
40.00	Budget authority (appropriation) ...... (permanent, indefinite, special fund)	---	---	-224,816
	Relation of obligations to outlays:			
71.00	Obligations incurred, net	---	---	-224,816
90.00	Outlays	---	---	-224,816

OBJECT CLASSIFICATION (in thousands of dollars)

41.0	Grants, subsidies and contributions	---	---	-224,816

Forest Service

Trust Funds

(Dollars in thousands)

	1985 Actual	1986 Approp. Enacted to Date	1986 Estimate with DCA Reduction 1/	1987 Base	1987 Estimate	Inc.(+) or Dec.(-) from 1986	Inc.(+) or Dec.(-) from Base
Cooperative work							
Knutson-Vandenberg							
(K-V) Reforestation $	70,764	70,128	67,114	70,128	91,494	+21,366	+21,366
Thousand acres	194.6	201.1	--	201.1	255.5	+54.4	+54.4
FTE	998	990	--	990	1,253	+263	+263
Timber stand							
improvement ..... $	19,326	19,584	18,742	19,584	28,091	+8,507	+8,507
Thousand acres	120.9	136.8	--	136.8	182.0	+45.2	+45.2
FTE	283	283	--	283	390	+107	+107
Other .... $	30,639	31,092	29,755	31,092	35,546	+4,454	+4,454
FTE	690	699	--	699	760	+61	+61
Subtotal, K-V							
Receipts ..... $	194,747	150,000	--	--	160,000	--	--
Planned oblig. $	120,729	120,804	115,611	120,804	155,131	+34,327	+34,327
FTE	1,971	1,972	--	1,972	2,403	+431	+431
Cooperative work-other							
Receipts .... $	39,878	38,991	--	--	42,600	--	--
Planned oblig... $	32,541	34,287	34,287	34,287	42,485	+8,198	+8,198
FTE	621	629	--	629	725	+96	+96
Total, cooperative work							
Receipts .... $	234,625	188,991	--	--	202,600	--	--
Planned oblig... $	153,270	155,091	149,898	155,091	197,616	+42,525	+42,525
FTE	2,592	2,601	--	2,601	3,128	+527	+527

1/ Reductions are in planned obligations, since budget authority is not sequestrable, in accordance with Section 256 (a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985, Public Law 99-177.

Appropriation Summary Statement

Funds received and deposited in trust from States, counties, timber sale operators, individuals, associations, and others are expended by the Forest Service as authorized by law and terms of the applicable trust agreements.

The work consists of protection and improvement of the National Forest System for the National Forest users, research investigations, reforestation, and administration of private forest lands.

Authorities

Various Public Laws including the Act of June 30, 1914, Cooperative Funds Act, as amended; and 7 U.S.C. 2269; 16 U.S.C. 498, 572, 537, 572a, and 1643a.

Cooperative work (trust fund) for other activities--investigation, protection, and improvement of National Forests.
(05-96) 12-8028 302 SAGR HAGR
No expiration date.

P.L. 71-319, Act of June 9, 1930, Knutson-Vandenberg Act, as amended (16 U.S.C. 576b). Section 3.

Funds deposited by timber sale purchasers to cover the cost of reforestation and special cultural measures to improve the future stands of timber on areas cutover by the purchaser.
(05-96) 12-8028 302 SAGR HAGR
No expiration date.

Cooperative Work, Knutson-Vandenberg

General

Funds deposited by timber sale purchasers are used primarily for reforestation, timber stand improvement, and other resource activities to improve the future productivity of the renewable resources on timber sale areas. Accomplishments for this program are reported under activities in the National Forest System appropriation.

Reforestation, K-V

Objective

To reforest timber-sale areas.

Program description

The Knutson-Vandenberg Act (K-V), as amended, provides that part of timber sale receipts may be used for needed reforestation work on timber sale areas. Funds to accomplish this work are deposited into a trust fund.

About 76 percent of the total reforestation work will be funded from K-V during the next few years. (See graph in "Reforestation and Stand Improvement" section under National Forest System).

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Reforestation, K-V	$	70,128	91,494	+21,366
	FTE	990	1,253	+263

An increase of $21,366,000 is proposed from the 1987 base.

The planned $91,494,000 will provide the funding necessary to prepare sites and reforest 255,500 acres of National Forest land after completion of harvesting activities, compared to 201,100 acres in FY 1986.

The increase of 54,400 acres is due to the increased harvest in FY 1985, that is expected to continue in FY 1987.

The average cost of reforestation has risen from $349 per acre in FY 1986 to $358 per acre in FY 1987, due in part to expected higher reforestation contract rates. The lack of herbicides availability continues to require more extensive use of alternative methods of site preparation (manual clearing, prescribed fire) to control competing vegetation.

Object class information

Salaries and benefits	+6,630
Travel	+272
Transportation of things	+158
Rent, communications, and utilities	+1,047
Supplies, materials, and equipment	+3,407
Land and structures	+1,294
Other contractual services	+8,558
Total	+21,366

Timber Stand Improvement, K-V

Objective

To improve timber growth and product quality on timber sale areas by thinning and release treatments of the residual stands.

Program description

The Knutson-Vandenberg Act (K-V), as amended, provides that part of timber sale receipts may be used for timber stand improvement work. This work is financed from a trust fund similar to the financing for reforestation.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Timber stand improvement, K-V	$	19,584	28,091	+8,507
	FTE	283	390	+107

An increase of $8,507,000 is proposed from the 1987 base.

The program will provide for the treatment of 182,000 acres of high priority stands that need either release or thinning. This increase of 45,200 acres over FY 1986 acres of 136,800 is the result of the continued increase in the harvest of National Forest timber sales.

The average unit cost per acre of stand improvement work is expected to rise from $143 per acre in FY 1986 to $154 per acre in FY 1987. This increase is due to expected higher contract rates, inability to use herbicides, and the selection of a high number of thinning projects in the Western Regions. These projects are necessary to protect the reforestation investments made in these stands 3 to 5 years ago.

Object class information

Salaries and benefits	+2,698
Travel	+107
Rent, communications, and utilities	+413
Supplies, materials and equipment	+1,405
Land and structures	+510
Other contractual services	+3,374
Total	+8,507

Other K-V

Objective

To protect and improve all other resource values on timber sale areas in conjunction with timber improvement activities.

Program description

The Knutson-Vandenberg Act (K-V), as amended, provides that a portion of timber sale receipts may be used to protect and improve the future productivity of renewable resources in timber sale areas. The work includes sale-area improvements, maintenance and construction of soil and water protection measures, wildlife habitat improvements, and range management measures.

Timber sold since the K-V Act was amended (1976) is now being harvested, and collections for other resource work on timber sale areas have increased.

Program emphasis will be on stream channel restoration and enhancement for resident and anadromous fish and on habitat improvement for game and nongame species in accordance with approved State comprehensive plans. Emphasis also will be given to watershed improvement for maintaining or improving soil productivity and water quality.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Other K-V	$	31,092	35,546	+4,454
	FTE	699	760	+61

An increase of $4,454,000 is proposed from the 1987 base.

As a result of the continued increase in the harvest of National Forest timber sales, the $35,546,000 will provide for the wildlife, range, and soil and water resource activities prescribed to mitigate the effects of timber harvest or to enhance these resources in connection with other timber stand improvement activities.

The increases for FY 1987 are primarily in wildlife habitat and in soil and water improvements over a wide range of activities, such as specific wildlife nesting structures, stream improvements for fish, water bars, streambank restoration, slope stabilization measures, etc.

Object class information

Salaries and benefits	+1,538
Travel	+54
Rent, communications, and utilities	+208
Supplies, materials and equipment	+705
Land and structures	+256
Other contractual services	+1,693
Total	+4,454

Cooperative Work, Other

Objective

To use deposits received from cooperators for protecting and improving resources of the National Forest System as authorized by trust agreements.

Program description

1. Administration, protection, construction and maintenance of National Forest System lands and interests therein, transportation system facilities, improvements, and resources. Various laws including:

The Act of June 30, 1914 (16 U.S.C 498); The Act of April 24, 1950, as amended (16 U.S.C. 572); The Act of October 13, 1964, as amended (16 U.S.C. 532-537); The Act of June 5, 1968 (16 U.S.C. 693d; and The Act of July 4, 1968 (16 U.S.C. 471h) are used for deposits to these trust accounts for specific work done on behalf of the depositor.

These deposits are used for the construction, reconstruction, and maintenance of roads, trails, and other improvements, and for scaling services, fire protection, and other resource purposes as authorized by law.

2. Forest and rangeland renewable resources research. The Act of June 30, 1914 (16 U.S.C. 498), and the Act of June 30, 1978 (16 U.S.C. 1643), authorize acceptance of deposits for forestry research. Deposits are received from State and other public agencies, industrial associations, and other private agencies to finance research projects of mutual interest and benefit. The deposits may be made in a single sum or on a continuing basis, and may partially or wholly cover the research cost. Cooperative research projects may involve any aspect of forestry, and vary widely as to scope and duration.

3. Administration, protection, construction, and improvement of non-Federal lands. The Act of April 24, 1950 (16 U.S.C. 572), authorizes acceptance of deposits for administering and protecting non-Federal land within or near the National Forests.

These deposits are made by owners of non-Federal lands intermingled with or adjacent to National Forests who wish their lands managed according to good forest management practices, including reforestation.

Work done with deposits includes fire protection of private lands (usually in small tracts) intermingled with Federal ownership. This arrangement helps both parties because it would be uneconomical for a private landowner to set up a fire control organization and because the Forest Service might otherwise have to suppress fires on adjoining ownerships to protect Federal land.

Increase for 1987

		1987 Base	1987 Estimate	Increase
		(Dollars in thousands)		
Cooperative Work, Other	$	34,287	42,465	+8,178
	FTE	629	725	+96

An increase of $8,178,000 is proposed from the 1987 base. This increase reflects the increased deposits made by timber purchasers as a result of increased harvest activities and the increased participation by other National Forest users for activities they expect the Forest Service to perform.

These additional activities include needed road maintenance associated with increased timber harvest levels, cooperative fire protection work with various States, and research efforts in conjunction with ongoing projects.

Object class information

Salaries and benefits	[illegible]
Travel	[illegible]
Rent, communications, and utilities	[illegible]
Supplies, materials, and equipment	[illegible]
Land and structures	[illegible]
Other contractual services	[illegible]
Total	+8,178

[illegible]

Reforestation Trust Fund

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

[illegible]

TRUST FUNDS

PROGRAM AND FINANCING (in thousands of dollars)

Identification code: [illegible]	1985 actual	1986 est.	1987 est.
Program by activities:			
Direct program:			
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Total obligations	[illegible]	[illegible]	[illegible]
Financing:			
[illegible] Treasury balance	[illegible]	[illegible]	[illegible]
[illegible] U.S. securities (par)	[illegible]	[illegible]	[illegible]
Unobligated balance available, end of year:			
[illegible] Treasury balance	[illegible]	[illegible]	[illegible]
[illegible] U.S. securities (par)	[illegible]	[illegible]	[illegible]
[illegible] Budget authority	[illegible]	[illegible]	[illegible]
[illegible]			
[illegible] Budget authority: Appropriation	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]
[illegible] Budget authority [illegible]	[illegible]	[illegible]	[illegible]
Relation of obligations to outlays:			
[illegible] Obligations incurred, net	[illegible]	[illegible]	[illegible]
[illegible] Obligated balance, start of year	[illegible]	[illegible]	[illegible]
[illegible] Obligated balance, end of year	[illegible]	[illegible]	[illegible]
[illegible] Outlays	[illegible]	[illegible]	[illegible]

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS (in thousands of dollars)

[illegible]			
Budget authority	[illegible]	[illegible]	[illegible]
Outlays	[illegible]	[illegible]	[illegible]
[illegible]			
Budget authority		[illegible]	
Outlays		[illegible]	[illegible]
Total:			
Budget authority	[illegible]	[illegible]	[illegible]
Outlays	[illegible]	[illegible]	[illegible]

TRUST FUNDS

OBJECT CLASSIFICATION (in thousands of dollars)

Identification code: 12-9973-0-7-302		1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	41,077	41,198	49,537
11.3	Other than full-time permanent	12,795	12,832	15,434
11.5	Other personnel compensation	2,708	2,726	3,272
11.8	Special personnel service payments	156	158	184
11.9	Total personnel compensation	56,736	56,890	68,425
	Personnel benefits:			
12.1	Civilian	9,436	9,866	11,306
13.0	Benefits for former personnel	1,638	1,613	1,536
21.0	Travel and transportation of persons	3,581	4,362	4,136
22.0	Transportation of things	863	2,446	2,313
23.1	Standard level user charges	171	326	695
23.2	Rental payments to others	1,253	1,583	1,350
23.3	Communications, utilities, and miscellaneous charges	3,252	4,194	4,691
24.0	Printing and reproduction	154	868	439
25.0	Other services	86,827	137,306	129,171
26.0	Supplies and materials	13,752	38,900	30,781
31.0	Equipment	2,044	7,475	7,068
32.0	Lands and structures	11,763	30,427	28,749
41.0	Grants, subsidies, and contributions	7	8	8
42.0	Insurance claims and indemnities	52	150	142
44.0	Refunds	269	761	725
99.9	Total obligations	194,902	296,990	306,888

TRUST FUNDS

PERSONNEL SUMMARY

Identification code: 12-9973-0-7-302	1985 actual	1986 est.	1987 est.
Direct:			
Total number of full-time permanent positions	1,843	1,808	2,178
Total compensable workyears:			
Full-time equivalent employment	2,592	2,601	3,128
Full-time equivalent of overtime and holiday hours	103	103	124
Average ES salary	68,043	68,043	68,043
Average GS grade	8.65	8.65	8.65
Average GS salary	23,493	23,493	23,493
Average salary of ungraded positions	22,828	22,828	22,828

REFORESTATION TRUST FUND

PROGRAM AND FINANCING (in thousands of dollars)

	Identification code: 20-8046-0-7-302	1985 actual	1986 est.	1987 est.
	Program by activities:			
10.00	Total obligations	78,556	34,749	30,000
	Financing:			
21.40	Unobligated balance start of year	-45,900	-4,749	---
24.40	Unobligated balance, end of year	4,749	---	---
60.00	Budget authority (appropriation) (permanent)	37,405	30,000	30,000
	Relations of obligations to outlays:			
71.00	Obligations incurred, net	78,556	34,749	30,000
72.40	Obligated balance, start of year	---	---	---
74.40	Obligated balance, end of year	---	---	---
90.00	Outlays	78,556	34,749	30,000

SUMMARY OF BUDGET AUTHORITY AND OUTLAYS
(in thousands of dollars)

Enacted/requested:			
Budget authority	37,405	30,000	30,000
Outlays	78,556	34,749	30,000
Reduction pursuant to P.L. 99-177:			
Budget authority	-----	-----	-----
Outlays	-----	-1,032	-258
Total:			
Budget authority	37,405	30,000	30,000
Outlays	78,556	33,717	29,742

REFORESTATION TRUST FUND

OBJECT CLASSIFICATION (in thousands of dollars)

	Identification code: 20-8046-0-7-302	1985 actual	1986 est.	1987 est.
	Direct obligations:			
	Personnel compensation:			
11.1	Full-time permanent	11,631	---	8,439
11.3	Other than full-time permanent	5,269	---	3,818
11.5	Other personnel compensation	937	---	680
11.8	Special personnel service payments	139	---	101
11.9	Total personnel compensation	17,976	---	13,038
	Personnel benefits:			
12.1	Civilian	2,149	---	1,571
13.0	Benefits for former personnel	1,321	---	966
21.0	Travel and transportation of persons	645	---	162
22.0	Transportation of things	414	---	104
23.1	Standard level user charges	153	---	83
23.2	Rental payments to others	360	---	91
23.3	Communications, utilities, and miscellaneous charges	919	---	231
24.0	Printing and reproduction	16	---	4
25.0	Other services	36,484	34,749	9,200
26.0	Supplies and materials	13,289	---	3,338
31.0	Equipment	1,637	---	411
32.0	Lands and structures	3,078	---	773
41.0	Grants, subsidies, and contributions	16	---	4
42.0	Insurance claims and indemnities	97	---	24
44.0	Refunds	2	---	---
99.9	Total obligations	78,556	34,749	30,000

PERSONNEL SUMMARY

	1985 actual	1986 est.	1987 est.
Direct:			
Total number of permanent positions	466	---	350
Total compensable workyears:			
Full-time equivalent employment	821	---	600
Full-time equivalent of overtime and holiday hours	40	---	29
Average ES salary	68,043	---	68,043
Average GS grade	9.77	---	9.77
Average GS salary	26,751	---	26,751
Average salary of ungraded positions	18,477	---	18,477

Forest Service

Human Resource Programs

Objective

To provide human and natural resource benefits by administering and hosting programs in work, training, and education for the unemployed, underemployed, elderly, young, and others with special needs.

Program description

The Forest Service participates in cooperative employment programs such as those authorized by P.L. 97-300, the Job Training Partnership Act of 1982 (Job Corps and miscellaneous hosted programs); P.L. 93-408, the Youth Conservation Corps; P.L. 89-73, the Older Americans Program, as amended; and P.L. 92-300, the Volunteers in the National Forests, as amended. About 73,932 people are expected to participate in Forest Service administered employment and volunteer programs during FY 1986.

Following is a brief description of HRP programs for FY 1985 through FY 1987.

- Job Corps. In agreement with the Department of Labor, the Forest Service operates 18 Job Corps Civilian Conservation Centers (7 of which are coeducational) providing basic education and job training to disadvantaged youth. The main purpose of the Centers is to produce graduates who are able to find productive work, re-enter school, or join the military. Enrollees receive room, board, clothing, skills training, education, and a monthly allowance instead of wages.

In the 1984 program year (July 1, 1984 to June 30, 1985), 8,664 young men and women participated in the program funded at $54.0 million. In addition to acquiring job skills, Job Corps participants accomplished work valued at $19.1 million.

In the 1985 program year (July 1, 1985 to June 30, 1986), we estimate that 7,732 young men and women will participate in a program funded at $56.3 million.

In the 1986 program year (July 1, 1986 to June 30, 1987), we estimate 7,732 young men and women will participate in a $58.0 million program.

In program year 1987 (July 1, 1987 to June 30, 1988), $16,700,000 is proposed. The Department of Labor (DOL) will provide further details relative to possible Jobs Corp Center closures.

- Youth Conservation Corps. The Youth Conservation Corps (YCC) is a summer employment program for young men and women, aged 15 through 18, who work, learn, and earn together on projects that further the development and conservation of natural resources.

In FY 1985, the Forest Service was authorized to use not less than $3.2 million for high priority projects to be carried out by the YCC program. The program served 2,293 young people. Of the participants, 15 percent were minorities and 44 percent were women. They accomplished 374 person-years of work valued at $4.5 million, with a return of $1.22 on every YCC dollar.

For FY 1986, about 2,400 young people are expected to participate in a $3.4 million program. Funding will be provided by benefiting Forest Service programs. Conservation work valued at about $4.5 million will be carried out.

A YCC program is not proposed for FY 1987 because the Administration is emphasizing programs specifically targeted to disadvantaged youth.

- Senior Community Service Employment Program. The Forest Service, in cooperation with the Department of Labor, sponsors this program authorized under Title V of the Older Americans Act. The program has three fundamental purposes: community service to the public, part-time employment and supplemental income, and training and transition of participants to the private sector labor market. The program employs economically disadvantaged persons age 55 and older and fosters a renewed sense of self-worth and community involvement among traditionally poor and hard-to-employ older individuals.

The Forest Service's interagency agreement for the period July 1, 1984, through June 30, 1985, provided $20.9 million, which employed 6,202 persons (24 percent minorities and 39 percent women). Participants accomplished 2,833 person-years of work valued at $33.1 million. The Government realized a return of $1.58 for each dollar invested. During program years 1985, 1986, and 1987 (beginning July 1, 1985 through June 30, 1988), it is anticipated that programs will remain static.

- Volunteers in the National Forests. The Volunteers program provides assistance in natural resource protection and management at nominal costs. The program offers individuals the opportunity to contribute their services to assist in managing the Nation's natural resources.

The Touch America Program (TAP), a component of the volunteer program, includes special emphasis on participation by youth aged 14 to 17. TAP is a partnership of private sector organizations sponsoring teenage youths to do conservation work. During FY 1985, 8,690 youths participated in TAP.

In FY 1985, 45,907 volunteers served in the Forest Service, including TAP participants. The appraised value of work performed by volunteers in 1985 was $72.5 million.

In FY 1986 and FY 1987, the Volunteers program will continue to receive strong emphasis.

- Hosted Programs. The Forest Service also serves as a host agency by providing work opportunities for programs administered by State and local governments. In FY 1985, 741 person-years of work were accomplished, valued at $8.7 million. There were 8,603 participants in these programs.

In FY 1986, an estimated 9,000 people will participate in hosted programs doing conservation work valued at approximately $9.5 million.

A minimal increase over FY 1986 is estimated for the FY 1987 program.

Summary of Human Resource Programs

FY 1985 Actual/Program Year Projected

Activity	Program Funding (Dollars in millions)	Value of Work Accomplished (Dollars in millions)	Number of Participants	Percent Women	Percent Minority	Person-Years Accomplished
Youth Conservation Corps 1/	Unfunded	$ 4.5	2,293	44	15	374
Job Corps 2/	$ 56.3	20.0	7,732	11	55	3,866
Senior Community Service Employment Program 2/	21.8	33.5	6,425	40	24	2,875
Volunteer 3/	Unfunded	22.5	45,907	33	9	1,787
Hosted Programs	Unfunded	8.7	8,603	16	40	741
Total	$ 78.1	$ 89.2	70,960	--	--	9,643

1/ Congressional earmark of not less than $3.2 million to be expended from benefiting program funds in National Forest System. Operated a $3.7 million program.

2/ Statistics estimated for program year (July 1, 1985 through June 30, 1986).

3/ Includes youth participation in the Touch America Program.

Summary of Human Resource Programs

FY 1986 Estimates

Activity	Program Funding	Value of Work Accom-plished	Number of Participants	Percent		Person-Years Accom-plished
	(Dollars in millions)			Women	Minority	
Youth Conser-vation Corps 1/	Unfunded	$ 4.5	2,400	45	15	375
Job Corps 2/	$ 58.0	21.0	7,732	12	55	3,866
Senior Community Service Employment Program 2/	21.8	33.5	6,425	41	24	2,875
Volunteers 3/	Unfunded	23.5	48,400	35	10	1,870
Hosted Programs	Unfunded	9.5	9,000	20	41	775
Total	$ 79.8	$ 92.0	73,957	--	--	9,761

1/ Congressional earmark of not less than $3.4 million to be expended from all Forest Service benefiting program funds.

2/ Statistics estimated for program year (July 1, 1986 through June 30, 1987).

3/ Include youth participation in the Touch America Project.

Summary of Human Resource Programs

FY 1987 Estimates

Activity	Program Funding (Dollars in millions)	Value of Work Accom- plished (Dollars in millions)	Number of Participants	Percent Women	Percent Minority	Person- Years Accom- plished
Youth Conservation Corps 1/	$ --	$ --	--	--	--	--
Job Corps 2/	16.7	--	--	--	--	--
Senior Community Service Employment Program 3/	21.8	34.0	6,425	41	24	2,900
Volunteers 4/	Unfunded	24.1	51,600	36	11	1,930
Hosted Programs	Unfunded	10.5	9,300	23	42	800
TOTAL	$ 38.5	$ 68.6	67,325	--	--	5,630

1/ A YCC program is not proposed for FY 1987.

2/ Statistics are not available for program year July 1, 1987 through June 30, 1988. Possible Job Corps Centers closures will be coordinated with Department of Labor.

3/ Projects for program year July 1, 1987 through June 30, 1988 are based on program 1986 level.

4/ Includes youth participation in the Touch America Project.

Work Accomplishment by Volunteers, YCC, and Hosted Programs for Selected Activities

FY 1985 Actual

Activities and Unit of Measure	Volunteers	YCC	SCSEP[1/]	Other	Total
Recreation construction and rehabilitation - PAOT (Persons-at-one-time) Days	105	267	10,004	20,100	30,476
Recreation management - PAOT (Persons-at-one-time) Days	3,019,531	661,845	7,582,842	735,828	12,000,048
Fish and wildlife habitat improvement (acres)	2,033	417	603	5,852	8,905
Range management (acres)	2,085	2,264	911	9,220	14,480
Reforestation (acres)	222	140	215	586	1,163
Timber stand improvement (acres)	308	338	35	371	1,052
Water and soil resource improvement (acres)	48	25	85	17	175
Property boundary location (miles)	1	34	118	4	157
Trail construction and reconstruction (miles)	135	46	55	54	294
Fuel treatment management (acres)	58	302	122	309	791
Wilderness management (acres)	581,428	7,300	3,250	33,694	625,672

1/ Estimated accomplishment for program year 1985 (July 1, 1986 through June 10, 1986).

Work Accomplishment by Human Resource Programs for Selected Activities

FY 1986 Estimates

Activities and Unit of Measure	Volunteers	YCC	SCSEP [1/]	Other	Total
Recreation construction and rehabilitation - PAOT (Persons-at-one-time) Days	228	277	11,434	15,968	31,634
Recreation management - PAOT (Persons-at-one-time) Days	3,142,318	188,319	7,886,196	765,261	12,480,090
Fish and wildlife habitat improvement (acres)	2,114	438	427	3,096	6,761
Range management (acres)	2,168	2,755	947	8,569	13,299
Reforestation (acres)	331	140	224	619	1,313
Timber stand improvement (acres)	520	352	36	386	1,294
Water and soil resource improvement (acres)	51	25	54	18	142
Property boundary location (miles)	7	25	173	5	185
Trail construction and reconstruction (miles)	141	89	61	56	305
Fuel treatment management (acres)	92	316	137	321	822
Wilderness management (acres)	606,605	7,592	3,360	35,242	652,808

[1/] Estimated accomplishments for program year 1986 (July 1, 1986 through June 30, 1987).

Work Accomplishment by Human Resource Programs for Selected Activities

FY 1987 (Estimated)

Activities and Unit of Measure	Volunteers	YCC 1/	SCSEP 2/	Other	Total
[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	—	[illegible]	[illegible]	[illegible]
Fish and wildlife habitat improvement (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]
Range improvement (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]
Reforestation (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]
Timber stand improvement (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]
Water and soil resource improvement (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]
Property boundary location (miles)	[illegible]	—	[illegible]	[illegible]	[illegible]
Trail construction and reconstruction (miles)	[illegible]	—	[illegible]	[illegible]	[illegible]
Trail [illegible] (miles)	[illegible]	—	[illegible]	[illegible]	[illegible]
Wilderness management (acres)	[illegible]	—	[illegible]	[illegible]	[illegible]

1/ No YCC program [illegible]

2/ Estimated accomplishments for program year 1987 (July 1, [illegible] through June 30, 1988).

Language Changes

[illegible]

$889,488,000, of which [$182,053,000] $88,033,000 for reforestation[,] and timber
stand improvement, cooperative law enforcement, and maintenance of forest
development roads and trails shall remain available for obligation until
2. September 30, [1987.] 1988. [Provided, That the unobligated balances available
September 30, 1985 and funds becoming available in fiscal year 1986 under the Act
of October 14, 1980 (16 U.S.C. 1606), shall be transferred to and merged with the
National Forest System appropriation account as of October 1, 1985: Provided
further, That notwithstanding any other provision of law, subsection (e) of
section 303 of the Act of October 14, 1980, as amended by the Act of January 6,
1983, Public Law 97-424 (16 U.S.C. 1606), is repealed and subsection (d) of
section 303 of the Act of October 14, 1980, as amended by the Act of January 6,
1983, Public Law 97-424 (16 U.S.C. 1606), is amended to read as follows:

"(d) The Secretary of Agriculture is hereafter authorized to obligate such sums as are available in the Trust Fund (including any amounts not obligated in previous fiscal years) for-

(1) reforestation and timber stand improvement as specified in section (3)(d) of the Forest and Rangeland Renewable Resources Planning Act of 1974 (16 U.S.C. 1601 (d)); and

(2) properly allocable administrative costs of the Federal Government for the activities specified above.".]

The first change is a technical correction to conform to the statutes authorizing advances.

The second change removes a one-time amendment to authorizing legislation.

Proposed change in language:

CONSTRUCTION

For necessary expenses of the Forest Service, not otherwise provided for,
for construction, [$223,865,000] $195,197,000, to remain available until expended,
of which [$27,449,000] $11,736,000 is for construction and acquisition of
buildings and other facilities; and [$196,416,000] $183,461,000 is for
construction of forest roads and trails by the Forest Service as authorized by 16
U.S.C. 532-538 and 23 U.S.C. 101 and 205: Provided, That funds becoming available
in fiscal year [1986] 1987 under the Act of March 4, 1913 (16 U.S.C. 501), shall
be transferred to the General Fund of the Treasury of the United States: Provided
1. further, That [road construction standards used to construct Forest Service roads,
purchaser credit roads, or purchaser elect roads shall be applied, or other
management initiatives or administrative cost-saving actions taken, including
reductions in personnel or overhead charges, in fiscal year 1986 in a manner so as
to achieve a 5 per centum reduction in the average cost per road mile as compared
to fiscal year 1985: Provided further, That such actions shall be taken so as to
achieve this 5 per centum reduction in each Forest Service region: Provided
further, That notwithstanding any other provision of this Act or any other
provision of law, $9,915,000 of the contract authority available in the Federal
Highway Trust Fund and not otherwise appropriated shall be available to the Forest
Service for road construction to Forest Development Road Standards to serve the
Mount St. Helens National Volcanic Monument, Washington: Provided further, That
the foregoing shall not alter the amount of funds or contract authority that would
otherwise be available for road construction to serve any State other than the
2. State of Washington.] no more than $154,321,000 to remain available without
fiscal year limitation, shall be obligated for construction of forest roads by
timber purchasers.

The first change removes a one-time amendment to authorizing legislation.

The second change restores the purchaser credit limitation. In FY 1986, carryover authority will be used. We project that insufficient carryover authority will remain for use in FY 1987.

Proposed change in language:

LAND ACQUISITION

For expenses necessary to carry out the provisions of the Land and Water
Conservation Fund Act of 1965, as amended (16 U.S.C. 4601-4-11), including
administrative expenses, and for acquisition of land or waters, or interest
therein, in accordance with statutory authority applicable to the Forest
Service [$28,300,000] $3,206,000, to be derived from the Land and Water
1. Conservation Fund, to remain available until expended[: Provided, That of the
amount appropriated, $3,900,000 shall be paid to Edwards Investments, an Idaho
partnership, upon delivery of a quitclaim deed to the United States conveying
acceptable title to all of Edwards Investments' interest in all of those portions
of a former Chicago, Milwaukee, St. Paul, and Pacific Railroad right-of-way
between Avery, Idaho and St. Regis, Montana that cross or adjoin Federal lands,
including all of Edwards Investments' interests in all improvements on said right-
of-way. Upon acquisition, some or all of the right-of-way may be used as a road
and available for public travel where determined appropriate by the Chief of the
Forest Service].

This change removes specific language covering a one-time payment to Edwards Investments.

Proposed change in language:

ACQUISITION OF LANDS TO COMPLETE LAND EXCHANGES

1. For acquisition of lands [in accordance with the Act of December 4, 1967, as
amended (16 U.S.C. 484a), all] to be derived from funds deposited by State, county
or municipal governments, public school districts or other public school
2. authorities pursuant to [that Act,] the Act of December 4, 1967 as amended (16
U.S.C. 484a), to remain available until expended.

Both changes are technical corrections.

Proposed change in language:

RANGE BETTERMENT FUND

1. For necessary expenses of range rehabilitation, protection, and improvement [in
accordance with section 401(b)(1), of the Act of October 21, 1976, Public Law 94-
579, as amended,] 50 per centum of all moneys received during the prior fiscal
year, as fees for grazing domestic livestock on lands in National Forests in the
2. sixteen Western States, pursuant to Section 401(b)(1) of Public Law 94-579, as
amended, to remain available until expended.

Both changes are technical corrections.

Administrative Provisions

1. Amend the following provision:

Appropriations to the Forest Service for the current fiscal year shall be available for: (a) purchase of not to exceed [252] 245 passenger motor vehicles of which [13] 8 will be used primarily for law enforcement purposes and of which [233] 235 shall be for replacement only; acquisition of [161] 148 passenger motor vehicles from excess sources, and hire of such vehicles; operation and maintenance of aircraft, the purchase of not to exceed 2 for replacement only, and acquisition of [43] 58 aircraft from excess sources; notwithstanding other provisions of law, existing aircraft being replaced may be sold, with proceeds derived or trade-in value used to offset the purchase price for the replacement aircraft; (b) services pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 for employment under 5 U.S.C. 3109; (c) uniform allowances for each uniformed employee of the Forest Service, not in excess of $400 annually; (d) purchase, erection, and alteration of buildings and other public improvements (7 U.S.C. 2250); (e) acquisition of land, waters, and interests therein, pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); (f) for expenses pursuant to the Volunteers in the National Forest Act of 1972 (16 U.S.C. 558a, 558d, 558a note); and (g) for debt collection contracts in accordance with 31 U.S.C. 3718(c).

2. Delete the following provision:

[None of the funds made available under this Act shall be obligated or expended to change the boundaries of any region, to abolish any region, to move or close any regional office for research, State and private forestry, or National Forest System administration of the Forest Service, Department of Agriculture, without the consent of the House and Senate Committees on Appropriations and the Committee on Agriculture, Nutrition, and Forestry in the United States Senate and the Committee on Agriculture in the United States House of Representatives.]

This change removes language that restricts the flexibility needed to make changes to improve organizational effectiveness and efficiency and reduce general administration costs. The Forest Service will continue to consult with the Appropriations Committees, Committees on Agriculture, Nutrition, and Forestry, and individual members of Congress concerned, prior to effecting any such change.

3. Amend the following provision:

Any appropriations or funds available to the Forest Service may be advanced to the National Forest System appropriation for the emergency rehabilitation of burned-over lands under its jurisdiction. [The Secretary of Agriculture may authorize the expenditure of any no year appropriation available to the Forest Service for emergency actions related to emergency flood repair needs at the Monongahela National Forest and at the Parsons, West Virginia, Research Laboratory: Provided, That funds made available for such emergency actions shall be available for the payment of obligations incurred during the preceding fiscal year funds expended pursuant to this provision must be replenished by a supplemental appropriation which must be requested as promptly as possible.]

This change removes a one time authorization for flood damages not needed for FY 1987.

4. No change to the following provision:

~~Appropriati~~ons and funds available to the Forest Service shall be available to comply with the requirements of section 313(a) of the Federal Water Pollution Control Act, as amended (33 U.S.C. 1323(a)).

5. Delete the following provision:

[The appropriation structure for the Forest Service may not be altered without advance approval of the House and Senate Committees on Appropriations.]

This change removes the legal requirement that the Forest Service consult with the House and Senate Committees on Appropriations before changing the appropriation structure. The Forest Service will continue to consult with the Committees before submitting any proposed changes.

6. No change to the following provision:

Funds appropriated to the Forest Service shall be available for assistance to or through the Agency for International Development in connection with forest and rangeland research, and technical information and assistance in foreign countries.

7. Amend the following provision:

Funds previously appropriated for timber salvage sales may be recovered from receipts deposited for use by the applicable national forest and credited to the Forest Service Permanent Appropriations to be expended for timber salvage sales from any national forest[: Provided further, That no less than $24,000,000 shall be made available to the Forest Service for obligation in fiscal year 1986 from the Timber Salvage Sale Fund appropriation].

This change removes a one time appropriation limitation which provided for an increase in the salvage sale volume to be offered in FY 1986.

8. Delete the following provision:

[Provisions of section 702(b) of the Department of Agriculture Organic Act of 1944 (7 U.S.C. 2257) shall apply to appropriations available to the Forest Service only to the extent that the proposed transfer is approved by the House and Senate Committees on Appropriations in compliance with the reprogramming procedures contained in House Report 97-942.]

This change will enable the Forest Service to respond to unforeseen events that necessitate immediate action. We will continue to follow the Committees' guidelines for the reprogramming of funds.

9. Delete the following provision:

[No funds appropriated to the Forest Service shall be transferred to the Working Capital Fund of the Department of Agriculture without the approval of the Chief of the Forest Service.]

This change is proposed to eliminate a requirement that intrudes in the working relationships of the Forest Service and the Department of Agriculture. Funding responsibility for the Department's Working Capital Fund is determined by rational formulas and each agency in the Department must pay its fair share of the Fund.

10. Delete the following provision:

[Not to exceed $900,000 shall be available from National Forest System appropriations or permanent appropriations for the specific purpose of removing slash and cull logs from the Bull Run, Oregon, watershed to preserve water quality and reduce fire hazards.]

This change is proposed because authority will no longer be needed in FY 1987. Salvage sale operations in the Bull Run watershed began in FY 1984 with timber Salvage Sale Funds. These funds were used to examine the extent of damage, initiate the development of the individual timber sales and gather road access, watershed, and wildlife information. Initial negotiations with the city of Portland, Oregon, were begun on the water quality standards for watershed protection. These negotiations are continuing. The funds needed for FY 1986 have been programmed. A continuing authorization of $900,000 for the Bull Run watershed is not needed for FY 1987 because the enabling legislation, 16 U.S.C. 1681, will expire at the end of FY 1986.

11. Delete the following provisions:

[None of the funds made available under this Act shall be obligated or expended to adjust annual recreational residence fees to an amount greater than that annual fee in effect at the time of the next to last fee adjustment, plus 50 per centum. In those cases where the currently applicable annual recreational residence fee exceeds that adjusted amount, the Forest Service shall credit to the permittee that excess amount, times the number of years that that fee has been in effect, to offset future fees owed to the Forest Service.]

[Current permit holders who acquired their recreational residence permit after the next to last fee adjustment shall have their annual permit fee computed as if they had their permit prior to the next to last fee adjustment, except that no permittee shall receive an unearned credit.]

This change deletes provisions on recreation residence fees. An agreement between the Forest Service and permit holders is expected to be reached in fiscal year 1986.

12. Delete the following provision:

[Notwithstanding any delegations of authority provided for in regulations of the Department of Agriculture or in the Forest Service manual, the Chief of the Forest Service shall, personally and without aid of mechanical devices or persons acting on his behalf, execute (1) all deeds conveying federally owned land which exceeds $250,000 in value, (2) all acceptances of options on lands to be acquired which exceed $250,000 in value, (3) all recommendations that condemnation be initiated, (4) all letters accepting donations of land, (5) all decisions on appeals of decisions related to land transactions made by regional foresters, and (6) land related transmittals to the House or Senate Committee on Appropriations, including all proposals for congressional action such as the acquisition of lands in excess of the approved appraised value, condemnation actions, and other items covered in reprogramming guidelines.]

This change is proposed to eliminate a significant impediment to the processing of actions necessary to provide prompt and efficient service to the public. Qualified line officers were previously designated to exercise this authority and we believe these line officers are better able to carry out this function. Actions are being taken to address the Committee's concerns on the quality and responsiveness of the lands function. The Senate's apparent intent to limit this restriction on signing authority to FY 1986 will be met if this proposed change is accepted.

13. Delete the following provision:

> [Funds available to the Forest Service shall be available to conduct a program of not less than $3,400,000 for high priority projects within the scope of the approved budget which shall be carried out by Youth Conservation Corps as if authorized by the Act of August 13, 1970, as amended by Public Law 93-408.]

This change removes the language for the Youth Conservation Corps, which is not proposed for fiscal year 1987.

Special Exhibits

Passenger-Carrying Vehicles

The Forest Service is a field organization that operates in remote sections of the country. Public transportation is not available in most locations. There are over 229 million acres within the boundaries of the National Forests and about 726 million acres of State and private forest land within areas covered by cooperative forest programs.

The Forest Service fleet comprises over 16,000 pieces of equipment, ranging from sedans and pickup trucks to bulldozers and motor graders. The Forest Service uses fleet management centers or commercial rental services to the fullest practical extent when it is cost effective.

Forest officers use passenger-carrying vehicles in protecting and managing the National Forest System lands, research, State and private forestry, and law enforcement activities.

Additions

The Forest Service proposes to purchase 10 additional passenger-carrying vehicles, of which two are for law enforcement, to replace pickup and utility trucks and carryalls. Passenger carrying vehicles are less costly to operate and maintain than trucks.

Replacements

The Forest Service proposes to replace 235 of the 1,209 passenger-carrying vehicles now in operation that meet the requirements of having traveled more than 60,000 miles and/or being more than 6 years old.

Six replacement law enforcement vehicles requested are for use by Forest Service criminal investigators. The Forest Service does not obtain high performance engines, but the remaining components of a type IV vehicle (suspension and cooling system for weight, electrical system for communications, equipment, size and configuration for multipurpose uses) meet the needs of criminal investigators. Ordering these features separately would be more costly than ordering the "police special" with small engine options.

These type IV vehicles obtained through the Government Services Administration (GSA) are necessary to:

1. Provide an adequate system of communications equipment to ensure responsiveness and employee safety.

2. Provide a multi-use vehicle which will safely and efficiently haul 600 or more pounds of investigative equipment and simultaneously transport Federal prisoners.

3. Provide security (as compared with a utility vehicle) for expensive investigative equipment, such as night viewing devices.

4. Provide adequate separation between Federal prisoners and Federal officers, and provide a safe means of transporting prisoners.

Passenger-carrying vehicles

Age Data
(as of September 30, 1985)

Year	Number of Vehicles
1979 and older	136
1980	291
1981	239
1982	92
1983	134
1984	105
1985	58
Total	1,055

Mileage Data
(as of September 30, 1985)

Miles	Number of Vehicles
60,000 and over	404
50,000 to 59,999	174
40,000 to 49,999	126
30,000 to 39,999	91
20,000 to 29,999	85
10,000 to 19,999	98
0 to 9,999	77
Total	1,055

Federal Excess Personal Property, Vehicles, and Aircraft

General

The Forest Service is authorized by 40 U.S.C. 483 to loan property, no longer required by Federal agencies, to States for rural and wildland fire protection. The States can use the property in their protection program or assign the loaned property to cooperating volunteer rural fire departments.

Property on loan to States is also replaced, when possible, with equipment excess to Federal agency needs.

Excess property is directed to areas with the largest potential efficiency gain based on an analysis of fire protection needs. Funding is not required to purchase property through this program.

Passenger-carrying Vehicles

For FY 1987, an estimated 148 passenger-carrying vehicles will be replaced or acquired.

The current fleet on loan to the 50 States and territories is 202.

Aircraft

For FY 1987, aircraft replacement and acquisition estimates for loan to the 50 States and territories are:

21 single-engine reconnaissance aircraft
15 twin-engine reconnaissance and cargo aircraft
22 helicopters

The current fleet on loan to the 50 States and territories is:

88 single-engine reconnaissance aircraft
39 twin-engine reconnaissance and cargo aircraft
34 helicopters

Forest Service
Consolidated Schedule of Permanent Positions Paid from Funds Available to the Forest Service

Detail of Permanent Positions

	1985 Actual	1986 Estimate	1987 Estimate
ES-6	3	3	3
ES-5	7	7	7
ES-4	29	29	29
ES-3	18	18	18
ES-2	2	2	2
ES-1	0	0	0
Subtotal	59	59	59
GS-17	1	1	1
GS-16	5	5	5
GS/GM-15	226	221	211
GS/GM-14	729	722	689
GS/GM-13	1,834	1,814	1,730
GS-12	2,951	2,883	2,750
GS-11	5,509	5,459	5,205
GS-10	142	137	131
GS-9	5,766	5,574	5,316
GS-8	549	539	515
GS-7	4,028	3,941	3,760
GS-6	1,621	1,595	1,522
GS-5	3,230	3,137	2,993
GS-4	2,055	2,013	1,920
GS-3	727	640	611
GS-2	66	58	55
GS-1	20	23	22
Subtotal	29,459	28,762	27,436
Positions at rates established by Acts of 6/20/58 and 9/23/59 5 U.S.C. 3104	1	1	1
Ungraded (wage rate) total permanent positions	1,280	1,243	1,185
Unfilled positions, end of year	(1,466)	(1,416)	(1,351)
Total permanent employment, end of year	30,799	30,065	28,681

Base Calculation

	1986 Appropriation	Base Changes	1987 Base
	(Dollars in thousands)		
Forest Research	$ 125,525	$ --	$ 125,525
State and Private Forestry	57,638	--	57,638
National Forest System	1,078,301 1/	--	1,078,301 1/
Construction	222,522	-222,522 2/	--
Land Acquisition	28,130	-28,130 2/	--
Acquisition of Lands for National Forests, Special Acts	777	--	777
Acquisition of Lands to Complete Land Exchanges	20	--	20
Miscellaneous Trust Funds	89	--	89
Range Betterment Fund	3,798	--	3,798
Operation and Maintenance of Recreation Facilities	--	--	--
Youth Conservation Corps	(3,380)	--	(3,380)
Permanent Appropriations	379,657	-22,911 2/	356,746
Trust Funds	155,091	--	155,091
Reforestation Trust Fund	--	--	--
Total	$2,051,548	$-273,563	$1,777,985

1/ Includes $30,000,000 transferred from Reforestation Trust Fund (P.L. 99-199).

2/ The 1987 proposals for Construction, Land Acquisition, and Timber Purchaser Roads Constructed by the Forest Service are justified from a zero base.

National Forest System Appropriation, by Forest

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 1			
Beaverhead	$ 4,559	$ 3,831	$ 3,643
Bitterroot	6,250	5,252	4,994
Clearwater	9,305	7,819	7,435
Custer	4,859	4,083	3,883
Deerlodge	4,428	3,721	3,538
Flathead	8,370	7,034	6,689
Gallatin	5,691	4,783	4,548
Helena	4,199	3,529	3,356
Idaho Panhandle	16,023	13,464	12,803
Kootenai	10,504	8,827	8,394
Lewis & Clark	4,334	3,642	3,463
Lolo	10,255	8,617	9,194
Nezperce	9,393	7,893	7,506
Subtotal	98,170	82,495	78,446
Regional Office	26,748	22,478	21,377
Total, Region 1	$124,918	$104,973	$ 99,823
Region 2			
Arapaho-Roosevelt	$ 5,185	$ 5,651	$ 5,374
Bighorn	3,623	3,949	3,755
Black Hills	9,592	10,454	9,941
Grand Mesa, Uncompahgre, and Gunnison	5,384	5,868	5,580
Medicine Bow	5,167	5,631	5,355
Nebraska	1,962	2,138	2,033
Pike-San Isabel	5,454	5,945	5,653
Rio Grande	3,579	3,901	3,710
Routt	3,905	4,256	4,047
San Juan	5,399	5,885	5,596
Shoshone	3,008	3,279	3,118
White River	5,137	5,599	5,324
Subtotal	57,395	62,556	59,486
Regional Office	9,820	10,702	10,179
Total, Region 2	$ 67,215	$ 73,258	$ 69,665
Region 3			
Apache-Sitgreaves	$ 9,033	$ 8,869	$ 8,433
Carson	5,419	5,320	5,059
Cibola	6,358	6,242	5,935
Coconino	8,385	8,232	7,827
Coronado	5,731	5,627	5,350
Gila	7,575	7,437	7,072
Kaibab	6,147	6,035	5,738
Lincoln	4,840	4,752	4,518
Prescott	4,273	4,195	3,989
Santa Fe	6,044	5,934	5,642
Tonto	8,072	7,925	7,536
Subtotal	71,877	70,568	67,099
Regional Office	14,436	14,170	13,475
Total, Region 3	$ 86,313	$ 84,738	$ 80,574

National Forest System Appropriation, by Forest - Continued

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 4			
Ashley	$ 5,475	$ 4,962	$ 4,719
Boise	9,634	8,732	8,305
Bridger-Teton	6,295	5,706	5,427
Caribou	2,865	2,597	2,470
Challis	4,064	3,683	3,503
Dixie	4,211	3,817	3,630
Fishlake	3,358	3,044	2,895
Humboldt	2,694	2,442	2,323
Manti-LaSal	3,688	3,343	3,179
Payette	9,525	8,634	8,212
Salmon	7,192	6,518	6,199
Sawtooth	5,311	4,814	4,578
Targhee	7,532	6,827	6,493
Toiyabe	5,265	4,772	4,539
Uinta	3,873	3,510	3,338
Wasatch-Cache	5,968	5,410	5,145
Subtotal	86,950	78,811	74,955
Regional Office	12,366	11,208	10,660
Total, Region 4	$ 99,316	$ 90,019	$ 85,615
Region 5			
Angeles	$ 16,529	$ 14,322	$ 13,626
Cleveland	8,324	7,213	$ 6,862
Eldorado	8,930	7,737	7,361
Inyo	7,381	6,396	6,085
Klamath	14,135	12,248	11,653
Lassen	8,669	7,511	7,146
Los Padres	19,998	17,328	16,486
Mendocino	8,724	7,559	7,191
Modoc	4,957	4,295	4,086
Plumas	12,097	10,481	9,971
San Bernardino	11,847	10,265	9,766
Sequoia	10,787	9,347	8,693
Shasta-Trinity	22,849	19,798	18,835
Sierra	11,705	10,142	9,649
Six Rivers	8,626	7,474	7,111
Stanislaus	9,335	8,088	7,695
Tahoe	9,324	8,079	7,686
Lake Tahoe Basin Mgt. Unit	3,099	2,685	2,554
Subtotal	197,316	170,968	162,656
Regional Office	20,858	18,070	17,191
Total, Region 5	$218,174	$189,038	$179,847
Region 6			
Colville	$ 6,355	$ 5,957	$ 5,667
Deschutes	14,757	13,833	13,160
Fremont	7,329	6,870	6,536
Gifford Pinchot	14,564	13,652	12,987
Malheur	7,828	7,338	6,981
Mt. Baker-Snoqualmie	9,925	9,304	8,851
Mt. Hood	11,812	11,072	10,533
Ochoco	6,127	5,744	5,464
Okanogan	8,096	7,589	7,220
Olympic	9,310	8,727	8,302

National Forest System Appropriation, by Forest - Continued

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 6, cont.			
Rogue River	$ 9,548	$ 8,950	$ 8,514
Siskiyou	9,581	8,981	8,544
Siuslaw	8,983	8,420	8,010
Umatilla	7,487	7,018	6,676
Umpqua	10,429	9,776	9,300
Wallowa-Whitman	12,727	11,931	11,350
Wenatchee	12,715	11,920	11,340
Willamette	15,912	14,917	14,191
Winema	8,149	7,639	7,267
Subtotal	191,634	179,638	170,893
Regional Office	25,664	24,058	22,887
Total, Region 6	$217,298	$203,696	$193,780
Region 8			
National Forests in Alabama	$ 5,322	$ 5,226	$ 4,971
Caribbean	1,124	1,103	1,049
Chattahoochee-Oconee	6,639	6,518	6,201
Cherokee	6,522	6,404	6,092
Daniel Boone	6,230	6,117	5,819
National Forests in Florida	6,803	6,679	6,354
Francis Marion-Sumter	4,928	4,839	4,603
George Washington	5,183	5,089	4,841
Jefferson	5,206	5,112	4,863
Kisatchie	5,542	5,442	5,177
National Forests in Mississippi	7,666	7,527	7,160
National Forests in North Carolina	10,822	10,626	10,108
Ouachita	9,783	9,606	9,138
Ozark-St. Francis	7,031	6,903	6,567
National Forests in Texas	4,638	4,554	4,332
. Subtotal	93,439	91,745	87,275
Regional Office	18,242	17,911	17,040
Total, Region 8	$111,681	$109,656	$104,315
Region 9			
Allegheny	$ 4,582	$ 5,139	$ 4,889
Chequamegon	4,429	4,967	4,725
Chippewa	4,694	5,264	5,008
Green Mountain	2,691	3,018	2,871
Hiawatha	4,768	5,348	5,088
Huron-Manistee	5,478	6,143	5,844
Mark Twain	8,003	8,975	8,538
Monongahela	4,127	4,628	4,403
Nicolet	4,107	4,606	4,382
Ottawa	4,074	4,569	4,347
Shawnee	3,265	3,661	3,483
Superior	10,816	12,131	11,539
Wayne-Hoosier	4,300	4,822	4,587
White Mountain	3,765	4,223	4,017
Subtotal	69,099	77,494	73,721
Regional Office	9,343	10,479	9,969
Total, Region 9	$ 78,442	$ 87,973	$ 83,690

National Forest System Appropriation, by Forest - Continued

Region 10	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Chugach	$ 4,411	$ 4,308	$ 4,104
Tongass-Chatham	3,795	3,707	3,531
Tongass-Ketchikan	3,839	3,749	3,571
Tongass-Stikine	2,338	2,283	2,175
Subtotal	14,383	14,047	13,381
Regional Office	6,308	6,161	5,869
Total, Region 10	$ 20,691	$ 20,208	$ 19,250
TOTAL, all Regions	$1,024,048	$963,559	$916,5[illegible]

Construction Appropriation, by Forest

(Dollars in thousands)

	FY 1985	FY 1986	FY 1987
Region 1			
Beaverhead	$ 2,391	$ 2,189	$ 1,925
Bitterroot	1,196	1,095	963
Clearwater	4,367	3,997	3,514
Custer	1,005	920	809
Deerlodge	1,350	1,235	1,086
Flathead	3,117	2,853	2,509
Gallatin	1,411	1,291	1,135
Helena	1,244	1,139	1,002
Idaho Panhandle	4,234	3,875	3,407
Kootenai	5,223	4,780	4,203
Lewis & Clark	1,653	1,513	1,330
Lolo	5,661	5,180	4,555
Nezperce	3,430	3,139	2,760
Subtotal	36,282	33,206	29,198
Regional Office	3,648	3,339	2,936
Total, Region 1	$ 39,930	$ 36,545	$ 32,134
Region 2			
Arapaho-Roosevelt	$ 1,809	$ 1,287	$ 1,132
Bighorn	1,098	781	687
Black Hills	2,854	2,031	1,786
Grand Mesa, Uncompahgre and Gunnison	2,389	1,701	1,496
Medicine Bow	1,492	1,062	934
Nebraska	409	291	256
Pike-San Isabel	733	522	459
Rio Grande	1,436	1,022	899
Routt	2,156	1,534	1,349
San Juan	2,335	1,662	1,462
Shoshone	811	577	508
White River	1,204	857	754
Subtotal	18,726	13,327	11,722
Regional Office	1,599	1,138	1,001
Total, Region 2	$ 20,325	$ 14,465	$ 12,723
Region 3			
Apache-Sitgreaves	$ 1,521	$ 1,265	$ 1,113
Carson	3,203	2,663	2,342
Cibola	529	440	387
Coconino	1,176	978	860
Coronado	271	225	198
Gila	1,773	1,474	1,296
Kaibab	1,002	833	733
Lincoln	620	516	454
Prescott	552	459	404
Santa Fe	1,777	1,477	1,299
Tonto	1,618	1,346	1,184
Subtotal	14,042	11,676	10,270
Regional Office	1,381	1,148	1,010
Total, Region 3	$ 15,423	$ 12,824	$ 11,280

Construction Appropriation, by Forest - Continued

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 4			
Ashley	$ 1,315	$ 1,411	$ 1,212
Boise	2,072	2,223	1,910
Bridger-Teton	1,150	1,233	1,059
Caribou	630	676	581
Challis	260	279	600
Dixie	1,472	1,580	1,358
Fishlake	186	200	172
Humboldt	212	227	195
Manti-LaSal	979	1,050	902
Payette	1,454	1,560	1,340
Salmon	578	620	532
Sawtooth	1,101	1,182	1,016
Targhee	1,395	1,497	1,287
Toiyabe	327	350	301
Uinta	307	330	283
Wasatch-Cache	942	1,011	868
Subtotal	14,380	15,429	13,616
Regional Office	2,141	2,296	1,973
Total, Region 4	$ 16,521	$ 17,725	$ 15,589
Region 5			
Angeles	$ 1,548	$ 1,330	$ 1,169
Cleveland	621	534	469
Eldorado	2,381	2,045	1,798
Inyo	1,618	1,390	1,222
Klamath	3,194	2,744	2,412
Lassen	1,840	1,580	1,389
Los Padres	462	397	349
Mendocino	1,102	947	832
Modoc	831	714	628
Plumas	2,350	2,018	1,774
San Bernardino	668	573	504
Sequoia	1,351	1,160	1,020
Shasta-Trinity	2,405	2,066	1,816
Sierra	4,478	3,847	3,381
Six Rivers	2,575	2,212	1,944
Stanislaus	1,706	1,466	1,289
Tahoe	1,867	1,603	1,409
Lake Tahoe Basin Mgt. Unit	281	242	213
Subtotal	31,278	26,868	23,618
Regional Office	3,884	3,335	2,932
Total, Region 5	$ 35,162	$ 30,203	$ 26,550
Region 6			
Colville	$ 1,302	$ 987	$ 868
Deschutes	2,272	1,722	1,514
Fremont	1,339	1,015	892
Gifford Pinchot	10,590	8,028	7,058
Malheur	2,136	1,619	1,423
Mt. Baker-Snoqualmie	4,068	3,083	2,711
Mt. Hood	4,006	3,036	2,669
Ochoco	1,452	1,101	968
Okanogan	1,084	822	723
Olympic	5,013	3,799	3,340

Construction Appropriation, by Forest - Continued

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 6, cont.			
Rogue River	$ 1,644	$ 1,246	$ 1,095
Siskiyou	3,487	2,643	2,324
Siuslaw	3,558	2,696	2,370
Umatilla	1,909	1,447	1,272
Umpqua	4,619	3,501	3,078
Wallowa-Whitman	2,589	1,963	1,726
Wenatchee	2,211	1,676	1,474
Willamette	5,113	3,876	3,408
Winema	800	606	533
Subtotal	59,192	44,866	39,446
Regional Office	3,930	2,978	2,618
Total, Region 6	$ 63,122	$ 47,844	$ 42,064
Region 8			
National Forests in Alabama	$ 1,410	$ 1,459	$ 1,283
Caribbean	106	110	97
Chattahoochee-Oconee	1,451	1,502	1,321
Cherokee	2,219	2,296	2,019
Daniel Boone	1,771	1,833	1,612
National Forests in Florida	1,444	1,495	1,314
Francis Marion-Sumter	1,541	1,595	1,402
George Washington	2,276	2,355	2,071
Jefferson	2,324	2,405	2,115
Kisatchie	1,262	1,306	1,148
National Forests in Mississippi	1,451	1,502	1,321
National Forests in North Carolina	4,613	4,773	4,195
Ouachita	2,127	2,201	1,935
Ozark-St. Francis	1,129	1,169	1,028
National Forests in Texas	1,686	1,745	1,534
Subtotal	26,810	27,746	24,395
Regional Office	2,598	2,685	2,361
Total, Region 8	$ 29,408	$ 30,431	$ 26,756
Region 9			
Allegheny	$ 1,793	$ 1,377	$ 1,211
Chequamegon	1,976	1,517	1,334
Chippewa	3,251	2,497	2,196
Green Mountain	504	387	340
Hiawatha	3,007	2,308	2,029
Huron-Manistee	629	483	425
Mark Twain	1,638	1,258	1,106
Monongahela	1,795	1,379	1,213
Nicolet	1,267	973	856
Ottawa	1,664	1,278	1,124
Shawnee	633	486	427
Superior	3,501	2,688	2,362
Wayne-Hosier	915	703	618
White Mountain	824	633	557
Subtotal	23,397	17,967	15,798
Regional Office	2,578	1,979	1,740
Total, Region 9	$ 25,975	$ 19,946	$ 17,538

Construction Appropriation, by Forest - Continued

	FY 1985	FY 1986 (Dollars in thousands)	FY 1987
Region 10			
Chugach	$ 1,177	$ 585	$ 600
Tongass-Chatham	870	432	443
Tongass-Ketchikan	1,997	992	1,019
Tongass-Stikine	797	850	406
Subtotal	4,841	2,859	2,468
Regional Office	562	280	287
Region 10, Total	5,403	3,139	2,755
TOTAL, all Regions	$251,269	$213,122	$187,389

Management Summary of Progress on Implementation of Forest Level Information Processing System (FLIPS)

The Forest Service began installing Data General computers--the backbone of the Agency's distributed processing system--in early 1984. By the end of FY 1986, 775 of the 970 scheduled systems will be operational. This equipment helps the Forest Service manage data and information by integrating data analysis, report generation, word processing, and electronic mail into a Service-wide distributed processing system to support the Agency's mission and basic management functions.

The goal is cost effective use of equipment to support the different nature and mix of work at each organizational level, including data processing at the local level. A high proportion of the work at both Forest and Ranger District offices consists of data analysis and manipulation.

Status of Installation of Data General Systems

	Actual			Planned				
	1983	1984	1985	1986	1987	1988	1989	1990
Systems ordered	308	142	139	186	140	25	15	15
Systems operational (cumulative)	--	267	568	775	915	940	955	970

Recent studies of five National Forests show that the Forest Service is achieving greater efficiencies than originally anticipated. Recent benefit-cost analysis indicates a benefit-cost ratio of 1.75--or a $175 benefit for every $100 invested in FLIPS.

In addition, 15 National Forests, including their Ranger Districts, are being studied to acquire more precise benefit information. Baseline workload data have been collected and followup surveys are being completed in early 1986. These survey data will be used to update the benefit-cost analysis.

Actual and planned cost data are as follows:

	Actual			Planned	
	1983	1984	1985	1986	1987
	(Dollars in thousands)				
Systems	$22,977	$20,408	$16,623	$23,719	$14,900
Software	0	328	930	1,723	1,200
Maintenance	0	791	5,203	7,000	8,000
Telecommunications	752	3,326	6,917	9,233	11,100
Personnel	552	13,275	23,590	28,279	32,000
Site Preparation	3,405	3,363	1,549	1,950	2,200
Other	170	1,595	650	788	800
Total	$27,856	$43,086	$55,462	$72,692	$70,200

Definition of Cost Items

Systems--Data General hardware and software included in the contract, such as the operating system and the word processing package.

Software--Software packages other than those available under the initial Data General contract, such as document exchange, spreadsheet, and statistical packages.

Maintenance--Two available options: (1) Full coverage - Data General performs all maintenance, when needed; and (2) Cooperative coverage - Forest Service and Data General share maintenance responsibility at two-thirds of the full coverage costs.

Telecommunications--Data communication used to support the Data General computer network, including local building networks and services provided by inter/intrastate telecommunication vendors.

Personnel--Employees dedicated to the operation and maintenance of the Data General systems. The number of employees required for each system is highest in the first few years of operation due to installation, training activities, and employees' unfamiliarity with the computer system.

Site preparation--Power, security protection, heating and air conditioning, and room renovations.

Other--Training, Data General support personnel, and supplies (printer ribbons and thimbles, special paper, form feeders, etc.).

Sources of Funding for Data General Computer Contract

	Actual			Estimate	
	FY 1983	FY 1984	FY 1985	FY 1986	FY 1987
		(Dollars in thousands)			
Research	$ 631	$ 509	$ 2,426	$ 2,333	$ 2,400
State and Private Forestry	159	135	125	98	--
National Forest System	17,012	14,700	10,402	16,116	9,375
Construction	3,120	3,313	2,511	4,027	2,500
Land Acquisition	16	35	--	105	--
Permanent & Trust Funds	1,804	1,519	1,159	1,040	625
Transfer Funds	235	197	--	--	--
Total	$22,977	$20,408	$16,623	$23,719	$14,900

Land Management Planning

National Forest Management Act

The Forest and Rangeland Renewable Resources Planning Act of 1974 (RPA), as amended by the National Forest Management Act of 1976 (NFMA), requires the Secretary of Agriculture to attempt to develop an integrated land and resource management plan for each administrative unit of the National Forest System by September 30, 1985. To implement the NFMA requirements, regulations were developed to guide land and resource management planning on 191 million acres of the National Forest System. The regulations require integrated planning for all resources (i.e., timber, range, fish and wildlife, water, wilderness, and recreation), as well as coordination of other resources, such as minerals.

The NFMA regulations were revised in 1983 in response to a court decision that the 1979 Roadless Area Review and Evaluation (RARE II) environmental statement and associated procedures were inadequate under the National Environmental Policy Act (NEPA). The revision subjects to reevaluation, through forest planning, areas that remain essentially roadless and undeveloped and that have not been designated by Congress for either wilderness or nonwilderness uses.

A major part of the RARE II issue has been resolved through enactment of wilderness legislation. Altogether, 64.7 million acres in roadless areas have been inventoried--62.0 million through the RARE II process, and 2.7 million acres recommended for wilderness through primitive area reviews. Of this, about 16.8 million acres have been designated as wilderness areas; 27.7 million acres have been released for uses other than wilderness; and about 20.2 million of the acres already inventoried remain unresolved, including 3.0 million acres in Alaska. Additionally, 1.4 million acres are still under study in Alaska for possible wilderness designation.

Land Management Planning

The planning process requires a continual flow of information and management direction among the three Forest Service administrative levels: national, regional, and designated forest planning areas. Management direction is based principally upon locally derived information about production capabilities. The direction reflects resource needs and conditions pertinent to all levels and becomes increasingly specific as planning progresses from the national to regional levels and from the Regions to the National Forests.

All nine regional guides have been completed, reflecting the 1980 national program. The regional guides include management decisions in three areas: establishing standards and guidelines, reflecting goals and objectives of the RPA Program that are consistent with resource capabilities, and displaying tentative resource objectives for each National Forest.

The forest land and resource management plans developed under NFMA include management planning for all resources.

Of the 123 forest plans to be developed under NFMA, 23 plans have been finalized and another 67 draft plans have been published or approved for publication.

The remaining 32 draft forest plans, primarily in the Pacific Northwest and Pacific Southwest Regions, are scheduled to be completed by the end of FY 1986. In addition, the Tongass National Forest must complete its plan by 1990.

Although most forest plans in the Pacific Northwest and Pacific Southwest Regions have not been issued in draft, considerable effort is being placed on implementation of published forest plans at the Regional and Forest levels. Implementation of forest plans requires the same types of skills as those necessary in forest plan development.

Administrative appeals are anticipated on the majority of forest plans and litigation is also possible. This will result in considerable work efforts at forest, regional, and national levels. Forest plans will be implemented as funding levels permit; however, those portions of forest plans under appeal will be excluded from funding.

Relationship Between RPA and Land Management Planning

The current forest planning effort uses the 1985 RPA Program objectives. The 1985 RPA Program is based on data from forest planning, State forest resource planning, and research planning. As forests implement their plans, and as the 1985 RPA Program is implemented through the budget, a closer relationship is expected to develop between RPA and land management planning.

The following general requirements outline the relationship between RPA and land management planning at the Regional and National Forest levels:

- The 1980 RPA Program provides national direction and regional output levels to the Regions for development of regional guides and forest plans.

- The regional guides disaggregate the regional 1980 RPA output levels to individual National Forests.

- Resource inventories determine the production potential of forest lands. This forest level information is used in preparing forest plans. Each forest evaluates national level RPA objectives to determine if they are compatible with resource supplies, demand levels, economic efficiency, community stability, and potential environmental effects.

- Each National Forest develops its forest alternative in compliance with NFMA regulations, the Chief's direction, the direction in the regional guide, and forest resource inventories.

- The Regions use forest alternative information to build regional alternatives. The regional alternatives are the information base for development of national alternatives and a preferred 1985 national RPA program.

Actual and projected accomplishments include 123 forest plans to be prepared under NFMA.

	FY 1985 Actual	FY 1986 Estimate	FY 1987 Estimate
Draft forest plans	47	32	--
Final forest plans	23	56	43
PNW Regional Guide/Spotted Owl Supplement		1	
Number of forest plans under appeal	20	54	43

(Tongass National Forest in Alaska must prepare a land management plan by 1990).

Sources of funding are:

	FY 1985 Actual	FY 1986 Estimate (Dollars in thousands)	FY 1987 Estimate
National Forest System	$22,399	$19,321	$16,712
Construction	6,579	5,496	4,790
Tongass Timber Supply Fund	69	69	66
Total	$29,047	$24,886	$21,568

USDA Funds Available for Research and Control of Gypsy Moth, Tussock Moth, and Southern Pine Beetle

	FY 1985	FY 1986	FY 1987 1/
	(Dollars in thousands)		
Gypsy moth			
Research:			
Agricultural Research Service	389	312	N/A 2/
Cooperative State Research Service (CSRS)	1,037	1,331	337
Forest Service	2,788	2,896	2,896
Subtotal, gypsy moth research	4,214	4,539	3,233
Control:			
Forest Service	3,130 3/	4,791	350
Animal and Plant Health Inspection Service	11,187	5,142	5,125
Subtotal, gypsy moth control	14,317	9,933	5,475
Total, gypsy moth research and control	18,531	14,472	8,708
Tussock moth:			
Research:			
Forest Service	563	513	513
Control:			
Forest Service	266	482	100
Total, tussock moth research and control	829	995	613
Southern pine beetle:			
Research:			
Cooperative State Research Service (CSRS)	658	658	73
Forest Service	1,641	756	815
Forest Service allocation to CSRS	143	--	--
Subtotal, southern pine beetle research	2,442	1,414	888
Control:			
Forest Service	5,329	2,506	2,500
Total, southern pine beetle research and control	7,771	3,920	3,388
All programs:			
Research	7,219	6,466	4,634
Control	19,912	12,921	8,075
Total	27,131	19,387	12,709

1/ Estimates are based on anticipated trends.

2/ N/A = Not available.

3/ $700,000 of Forest Service funds provided to Animal and Plant Health Inspection Service.